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• In the Record •

IF YOU believe in miracles, you might think that businesses just naturally emerge from periods of rapid growth into soundly organized structures. Or perhaps like Topsy, a business can be left to just grow—and it will muddle through somehow.

Maybe it will. But that's the point: muddling through somehow isn't good enough any more. Sound organization pays too high dividends to be left to chance miracles. Research, experimentation and planning are more dependable.

So the spotlight is being turned full flood on organization. Companies are looking at other companies to see what they are doing. And many are turning a self-conscious eye to themselves and taking a sort of organizational inventory. Often they are finding that their structures resemble nothing quite so much as the fabled Greek labyrinth—tangled, unruly and snarled—when what is needed is a streamlined, soundly conceived, smoothly working setup.

But how does a company attain this very desirable and efficient organization that pays off in profits? Where does a sound organization structure come from? What does it look like? Is there a formula to follow or a few setting-up exercises that will produce the desired results? Sadly, no. As usual, we can't wrap the answer up in a neat little package and say "here it is."

But the Board can dig out some of the basic facts that management needs to plan or develop such a program. And that, essentially, was what was done in two important Round Table meetings on organizational planning held in the last few months.

At the San Francisco meeting, held in March, these specialists participated:

- **Paul E. Holden**, Professor of Industrial Management, the Graduate School of Business, Stanford University, chairman
- **J. B. Du Prau**, Vice-President of Administration and Assistant to the President, Columbia Steel Company
- **L. L. Purkey**, Department on Organization, Standard Oil Company of California
- **Guy Hamilton, Jr.**, Manager, Organization Department, Ford Division, Ford Motor Company
- **Charles R. Hook, Jr.**, Vice-President of Personnel, the Chesapeake and Ohio Railway Company¹

In New York two months later, different speakers approached business organization from other angles:

- **C. C. Balderston**, Dean of the Wharton School of Finance and Commerce at the University of Pennsylvania, chairman
- **Ralph C. Davis**, Professor of Business Organization, Ohio State University
- **Frederick M. Roberts**, Chief Organizational Analyst, the Atlantic Refining Company
- **M. W. Cresap, Jr.**, Vice-President, Westinghouse Electric Corporation

The highlights of what these men had to say make up the bulk of this special issue of the *Management Record* devoted to company organization.

¹ An adaptation of Mr. Hook's speech was published in the May, 1952, issue of the *Management Record* under the title "For Chief Executives Only—A Look at the Man Himself."

Introduction

EVEN the most casual observer can notice that organization planning is in the news and that interest in it appears to be growing. Why? Isn't it still as "dull" a subject as ever? Isn't it still complex and somewhat forbidding? Isn't it still abstract and more than a little theoretical?

The quick answer is "yes" to all of these questions. But in spite of that, executives seem to be recognizing more and more the penalties of bad organization. At the same time, the potential gains of good organization are also more discernible. These are general reasons why businessmen everywhere are beginning to seek avidly for information about good organization. But there are also many specific reasons.

One has only to look back to the post-World War II period. Executives had a brief respite from pressure then. They had time to review what had been happening to their company structures. During the war years, small companies became large ones, and large ones mammoth ones, practically overnight. As functions were added, they were allocated in many instances without much regard to their logical distribution. The chief aim was, "Get the job done—efficiently if possible, inefficiently if need be!"

After the war, top officers saw tangled and confused lines of authority, persons handling functions having little or no relationship to one another, too heavy loads piled on some executives. Ironing out such organization weaknesses was an obvious step as we moved into what was hoped would be a long period of peacetime growth.

Korea and defense work meant an end to all that. The pattern of sudden expansion was resumed, but with the will to avoid the organization errors of the war years. This time, executives resolved to get the benefits of planned organization structure.

Putting new plants into operation for defense work provides a particularly good chance to start from scratch, without the handicap of personality conflicts that sometimes impede reorganization of old structures.

But apart from the defense situation, the normal process of business expansion has been causing top management to look again at organization blueprints. As new products have been added and company operations extended into new regions farther from the home office, central controls have been weakened. And peer-

ing into the future, the president whose company plans still further growth foresees a host of control problems.

Acquisition of well-established companies, in the process of growth, has also given impetus to organization planning. As a newly acquired unit is fitted into the larger organization, the president of the absorbed unit may carry on as before. Only his title may be changed to vice-president or general manager. If his unit continues to operate profitably with but little attention needed from company headquarters, the corporation head views it speculatively. If other units in the organization could be operated similarly, practically as separate companies, the load on headquarters would be greatly lightened. Here is the germ of the decentralization idea, another important reason for the surge of interest in organization planning.

Under this kind of decentralization, central management delegates part of its authority and responsibility to heads of regional units, to heads of product divisions or to local plant managers. With authority for decision making placed nearer where the work is done or service rendered, top people at headquarters are released for thinking, planning and coordinating.

As Lounsbury Fish, organization counsel of the Standard Oil Company of California, has said:

"One of the great needs and present trends in industrial organization is toward further decentralization. In most companies, too much of the administrative burden rests upon the chief executive, the top group, the central office. Too great a proportion of the managerial horsepower—both executive and staff—is concentrated at headquarters; too little is placed in immediate charge of operations where it can be most effective, ministering to the detailed needs of the business, in direct contact with local problems, employees, customers, competitors and the public.

"Along with this need for administrative decentralization, there is a parallel need for the centralization of operations. In many instances individual establishments have grown to the point where the advantages of size in contributing to production efficiency are more than outweighed by the physical, economic, social, political and military penalties of concentration and congestion. In recognition of this condition there is a growing tendency for the larger companies to disperse their operations in order to lessen congestion, to secure better living conditions for their people—nearer the country, closer to the soil—to tap wider labor markets, to minimize the risk from

localized labor difficulties, to diversify the hazard from wartime bombing, to capitalize upon the community interest in local enterprise and products, and to avoid transportation bottlenecks."

Wholly owned subsidiaries are converted into operating divisions to ensure better central control. Staff agencies are clearly differentiated from operating divisions, to clarify the responsibilities of each. The "cabinet" of top executives surrounding the president at headquarters becomes largely a staff setup, providing advice, service, control and coordination for the operating divisions. Even family control is being replaced by management teams, with the duties of each member carefully defined.

Companies formerly operating wholly under a plan of functional division are being divided into product or regional units. In some instances, product divisions having similar problems of manufacturing and marketing are being grouped, and group heads appointed, to reduce the number of executives reporting to the president.

Still another probable factor in current reorganization interest is presidential self-analysis. Chief executives do not have to be told that they are counted on as idea men, that their job is chiefly one of long-range planning, that they are supposed to do intensive thinking about where the company should go and how to get there. They are the first to realize that it would be helpful in generating ideas to read more, to talk with more people. But how find time when so many hours of the day must be spent otherwise—giving special attention to special customers, personally handling delicate public relations tasks, solving complicated financial, human relations, and distribution problems?

One organization specialist says that a major goal of organization planning is to get the chief executive out of the hook-and-ladder brigade. Too many presidents, he says, are spending the major part of their time putting out fires. If the president once sees that a large part of what he is doing can be delegated safely and with advantage to subordinates, he focuses attention on what should be the most important aspects of his job.

Concern about who will take over the reins of management in some of the older companies is causing their presidents to stop, look and think about organi-

zation planning. Many firms are now approaching the half-century mark. Many of them are managed by a group of executives who started together as young men. They moved together to top responsibilities. Their length of service is the same, and they will be retiring at about the same time. Jobs have grown around their personalities. Only the incumbent may know exactly what his job consists of. Nothing is in writing. If a replacement is to be trained, for what responsibilities shall he be prepared? The correlation between executive development and organization planning becomes apparent.

More accurate diagnosis of internal company problems is also a reason for growth in organization planning. Confusion, jealousies among executives, employee grievances, lack of information, misinformation, inefficiencies and waste are being traced more and more to basic errors in organization. These would include requiring an individual to report to more than one boss; grabbing authority that has not been delegated; bottlenecks caused by supervisors trying to supervise too many people; run-arounds, in which the chain of command is not followed in giving information or orders; executives spending time on decisions that could be made as well or better lower down the line.

Competent management consultants, summoned from outside to study internal difficulties, are keenly alert to such things. They look first to organization. Company management, making its own analysis, is following their example.

The job of organization planning, itself, needs to be assigned. Some companies have assigned it to individuals, some have set up separate departments. These are permanent assignments, for along with the realization that organization planning is of value is the recognition that such planning is a continuous and never-ending process.

The summaries of the talks that follow cover many phases of the subject. Even though the talks were delivered by different people at two separate meetings, they were planned carefully, so there is practically no duplication. Understandably, there is some overlapping, but this has its advantages in that the five speeches thereby give needed emphasis to important points.

Popular Fallacies in Organization

By J. B. Du Prau

WHEN I accepted this subject as my topic, I could see an interesting opportunity—and also a great hazard. I have wanted to take a crack at some of the folklore of organization for a long time. However, about the time I arranged my dead cats neatly in a row, I realized that what I might classify as “popular fallacies” in organization might be just my opinion. In other words, the theory and practice of organization is not an exact science.

Therein lies the hazard of my assignment. Yet I can't let this golden opportunity to expose some of my pet peeves pass. Let's attack the biggest windmill first.

I maintain that American business enjoys a far better reputation than it deserves in the field of organization. Our accomplishments, as I see them, stem from the great market this country has provided, from the mechanical and production skill of our workmen and engineers, and from our merchandising and financial genius. These have combined to give such strength to our business institutions that they have survived and grown despite poor organization and in almost total absence of formal organization planning. Yet the casual observer still attributes far too much of our success to genius in the field of business organization.



The history of the Ford Motor Company is a good example. This company is a classic example of what the mechanical, production, and merchandising genius of one man accomplished in this country. Now I hasten to add at the outset that the Ford Motor Company is outstanding in the field of organization and management today. But if only half of the legends about Mr. Ford are true, there was a time when organization planning at Ford Motor Company was almost unknown. These stories indicate that if Mr. Ford had been presented with an organization chart, he undoubtedly would have rolled it up and shoved it down the throat of even the most farsighted and qualified organization man.

But the Ford Motor Company differs little in this respect from other companies. I maintain that the organization development of Ford and of all other American business is essentially the same. Therefore you may ask, “If we have come this far without a more formal approach to the study and practice of organization, are things so terribly out of joint?”

My first reply is that we *haven't* come so very far in recent years—particularly in the field of human and public relations. And that is a field in which sound organization is a fundamental element. My second reply is that the past is not a safe guide for the future because things are different now. Today's managers must carry on without benefit of the business climate of Mr. Ford's time. Since the great Henry Ford era, production capacity has been marching forward steadily. Our markets are no longer limitless. We bargain collectively on wages. The ills of inflation and taxes are upon us. And if there are still doubts in your mind about the potential gains of organization planning, they will be dispelled when my colleagues have finished with you.

While on the broader aspects of the subject, I'd like to level a full-count blow at the scoffing attitude toward the evidences of good organization. I refer to the fallacious idea that organization charts, manuals, principles, and procedures are all theoretical—just so much cutting of paper dolls. Why not be hazy and opportunistic about organization? That is the “practical” approach. Fortunately, this attitude is dying, but I'd like to hasten its death by a sharp rabbit punch.

One must admit that an organization can be overloaded with manuals, charts, procedures and other pieces of paper. But the idea that a good organization can be built and maintained without blueprints of its lines of responsibility and authority is just as fallacious as the idea that a modern plant can be built and maintained without blueprints of wiring and piping. And, of course, these pieces of paper mean nothing

What Is Control?

“Control is the examination of results. To control is to make sure that all operations at all times are carried out in accordance with the plan adopted—with the orders given and with the principles laid down. Control compares, discusses and criticizes; it tends to stimulate planning, to simplify and strengthen organization, to increase the efficiency of command and to facilitate coordination.”—*Henri Fayol in “The Administrative Theory in the State”—one of the “Papers on the Science of Administration” edited by Luther Gulick and L. Urwick*

unless they are the evidence of policy on the part of top management.

Some people say that the chief executive should delegate all of his responsibilities. That involves the myth that the "boss man" can rely on his department heads to create adequate company programs, to establish the performance standards against which their own efforts will be measured, and, in short, to coordinate themselves. I believe this is just another way of saying that the chief executive should confine himself to fronting for the organization, conducting meetings, participating in fire-engine policy decisions, and reading "after-the-fact" reports.

Closely related to the myth I have just touched on is the one that says the sole function of business is to make a profit. Those who believe this deny that a company should be looked upon as a social institution. I believe that the losses suffered by businessmen in national leadership are directly related to our failure to write specific human relations responsibilities into the jobs of our managers as well as into our corporate objectives.



Such responsibilities should be spelled out so clearly that all managers—not just a few at the top—know precisely what is expected of them. By this I mean the kind of clear-cut statements of policy based upon deep-seated conviction and sincerity that stem from the board of directors and flow through the organization in policy and procedure manuals. This would insure a management program in the field of human relations, which, given time, would compare favorably with our achievements in other fields.

Thus, the first and foremost responsibility of a business is to define its objectives. The experts on organization are the ones to help with the architecture of this project. Once the goals have been set, another big organization job is to help management unfold a program.

I should like to challenge the popular notion that we should adhere to the conventional pattern of presidential staff organization in large industrial units. Of course, the type and number of staff heads varies with the nature of a business, but the following example may serve to illustrate my point.

Consider the typical organization structure of a president, vice-president of sales, vice-president of production, comptroller, treasurer, traffic manager, purchasing agent, manager of industrial relations, director of public relations, and chief engineer. I believe this form of organization is illogical. Under it, the service departments tend to exist more for their own sake than they would under a different type of organization. I maintain that the logical grouping of service departments under a very few men of vice-presidential rank, who have had general management training,

Span of Control

"The span of control and the number of supervisory levels of the organization are interrelated—the smaller the span, the greater the number of levels. If the number of levels is too great, communication is impeded, unity is jeopardized, and the organization tends to become slow moving and inflexible. With six levels of supervision, including the top executive, a span of control of five, and with twenty workers reporting to each supervisor on the lowest level, it is possible to have an organization of 62,500 workers and 3,905 executives."—R. E. Gillmor, *"A Practical Manual of Organization."*

provides greater assistance to the two main arteries of the business—sales and production. And at the same time, it provides the president with a smaller working group. Planning, coordination and control are much more easily handled, and the company objectives can be more effectively achieved.

There are many other popular fallacies of organization. I will mention only a couple of them.

One that is worth thorough scrutiny is the so-called one-over-one type of organization. Advocates of this advise that a line assistant should be placed between the top man of a department and the other people in the department. In other words, they advise you to back up every supervisor with a man who has full line responsibility. This is supposed to provide for better coordination and more adequate control.

You frequently find this pattern at the top of a large organization in the form of president and executive vice-president. If the executive vice-president confines himself strictly to the line management problems of coordination and control, and if the president assumes the responsibility for the long-range thinking and planning (with or without the help of a personnel staff) then you have an example where the form seems to fit. But the pattern seems everywhere to be taken for granted. Just because we are used to seeing it is not sufficient reason to carry it all the way down through the organization in departments and sub-departments. When you look critically at the pattern in these lower levels, you find it is extremely difficult to justify those two jobs from a sound organization point of view. Everyone beneath the two "bosses" is usually confused about the real lines of authority and responsibility. When the case under discussion is actually a confused organization problem, it also gives rise to a problem in evaluating the positions for salary grades. This affects the salary structure above and below these positions.

Another organization pattern that is overdone, in my opinion, is the committee that is used to *manage* rather than to provide a simple mechanism for ex-

changing views and recommending action. I think committees in large corporations are used to excess. It is unfortunate that presidents rarely insist that every time a committee is appointed, its responsibilities and functions must be clearly defined and approved.

My final plea is for a critical examination of the history and progress of the whole field of organization. Let's not continue to follow the practices of the past simply because they are widely accepted. If we make that mistake, we would only be following the "Path of the Calf." Let me close with a partial quotation from the "Path of the Calf" by Samuel Walter Foss, written in 1895:

One day through the primeval wood
A calf walked home as good calves should;
But made a trail all bent askew,
A crooked trail as all calves do.
Since then three hundred years have fled,
And I infer the calf is dead.
But still he left behind his trail,
And thereby hangs my moral tale.
The trail was taken up next day
By a lone dog that passed that way;

And then a wise bellwether sheep
Pursued the trail o'er vale and steep,
And drew the flock behind him, too,
As good bellwethers always do.
And from that day, o'er hill and glade,
Through those old woods a path was made.

* * *

The years passed on in swift fleet,
The road became a village street;
And this, before men were aware,
A city's crowded thoroughfare.
And soon the central street was this
Of a renowned metropolis;
And men two centuries and a half
Trod in the footsteps of that calf.
Each day a hundred thousand rout
Followed this calf about
And o'er his crooked journey went
The traffic of a continent,
A hundred thousand men were led
By one calf near three centuries dead.
They followed still his crooked way,
And lost one hundred years a day;
For thus such reverence is lent
To well-established precedent.

Authority Equal to Responsibility

"It is an axiom of organization and management that for an individual to fulfill a responsibility he must be given authority which is equal to the responsibility in every respect. The result of delegation of an authority less than the responsibility which is delegated simultaneously, is to reduce the responsibility to the size and weight of the authority. Conversely, a delegation of authority in excess of the attendant responsibility has the effect of increasing the responsibility.

The delegation of responsibility without an accompanying and commensurate authority to fulfill it is, in effect, no delegation at all. It is not possible to charge an individual with responsibility and at the same time deprive him of authority to enforce his decisions in connection with the fulfillment of the responsibility. Lacking authority to compel compliance with his plans and instructions, he has actually been relieved of his responsibility and the accountability therefore."

—From *"The Management Guide," Standard Oil Company of California*

Waste in Fitting Jobs to Men

"Lack of design . . . is wasteful because unless jobs are clearly put together along lines of functional specialization it is impossible to train new men to succeed to positions as the incumbents are promoted, resign or retire. A man cannot be trained to take over another's special personal experience: and yet if jobs are fitted to men rather than men to jobs, that is precisely what the employer must try to do. Consequently, every change in personnel becomes a crisis, an experiment in personalities. It is difficult enough to find suitable individuals to fill positions of responsibility when one half of the equation is 'given,' that is, when the job is defined. When both the job and the man are uncertain, unknown quantities, hours and days are likely to be expended in fruitless discussion and indecision."—L. Urwick in *"The Elements of Administration."*

Elements of Good Organization Structure

By Ralph C. Davis

I AM GOING to talk about organizational principles, particularly those that have to do with structure. An organization structure is a relation between work (plus the facilities supplied to do the work) and the people who do it. I shall discuss, accordingly, the design of relationships between groups of people that will be most effective in accomplishing our business objectives over a period of time. The principles that are discussed will be some that the organizational planner uses in the accomplishment of this mission. They should be used also by the executive who must approve organizational plans. I shall not attempt to give you a complete inventory of organizational principles. There are a great many that I shall not have time to discuss.

Organizational principles, taken separately, are simple. They are not difficult to understand. There is nothing complex about them. The complexity arises from the fact that a number of principles, relating certain organizational factors, forces and effects, may be operating in a given business situation at a particular time.

The development of a good organization requires more than a collection of organizational principles, of course. After planning, comes the work of organizing. We may do a good job of planning an organization structure. Our efforts to set it up may be limited by the availability of competent executives, the morale of the organization, a lack of required facilities, or by other factors. I recall one organization that was compelled to decentralize because of rapid growth. It had to stop its decentralization soon after it started, because someone had forgotten to make an estimate of manpower requirements. Competent executives were not available for some important posts in the proposed district organizations. It was necessary to modify decentralization plans and the installation schedule. There is no implication in this case that organizational principles are unimportant. On the contrary, they are very important. A few examples will show why.

There is a principle of functional differentiation. It says that the nature and extent of functional separation and segregation in organization elements depend on the volume of business and the complexity of the job to be done. The complexity of organizational relationships tends to increase more rapidly than the increase in business volume. The student of organization

refers to a geometric rate of increase with organizational growth.

For example, the peanut vendor on the corner is in the manufacturing business. He buys peanuts. He roasts peanuts. He sells peanuts. He handles the finances of his business personally and keeps his accounts in his head. I suspect, however, that the business of the Planters Nut and Chocolate Corporation is not quite that simple. It is obvious that the relationships between a large number of stores and plants must be quite complex. The maintenance of effective coordination and cooperation, with increasing functional complexity, requires organizational planning in any company. The peanut vendor is fortunate. He has never heard of organizational planning, and it doesn't matter in his case.

The principle of homogeneous assignment says that the duties given to an individual should be similar. Functions are similar when they have similar objectives, and therefore require similar facilities and employee abilities for their performance. Executive salary expense is usually increased when dissimilar functions are grouped together in organizational units. The responsible executive must have a higher level of intelligence, a broader background, training and experience, and a bigger pay check.

The coordination of dissimilar functions is difficult. There may be little basis for cooperation between the members of the particular group. Efforts to develop reasonable specialization are defeated. The "empire builder" and office politician is aided when failure to apply a policy of homogeneous assignment is coupled with a failure to define the missions of the various organization groups. The empire builder believes that rank is a function of command. He tries to take over any duties that are not definitely assigned. Whether or not the resulting organization is functionally homogeneous is not even a matter of academic interest to him. He is usually not interested in organizational principles unless they further his advancement.

There are various principles of delegation. They are concerned chiefly with the release of responsibility and authority to positions on lower organizational levels. One principle says that the delegation of responsibility should be accompanied by a commensurate delegation

of authority. It is difficult to hold a subordinate accountable when someone else makes the decisions on which results depend. A violation of this principle increases the burden of decision making on the responsible superior, lowers the morale of his subordinates, and causes other difficulties.

There are also various principles governing the development of line and staff relationships. A chain of command is a chain of delegated responsibilities and authorities. A primary chain leads to specialization in the production and distribution of salable values. The term "line organization" usually refers to a hierarchy of people who perform primary line functions. A staff organization evolves from a line organization to supply specialized assistance. It is attached to a line at whatever level enables it to serve best. Staff serves line. It should not dominate line. These are easy generalizations, but how do you develop effective staff units? How does one assure that line will make effective use of staff? How does one maintain harmonious line and staff relationships? How does one solve many other line and staff problems? The modern executive has recourse to many tested organizational principles. They should enable him to arrive at a sound decision.

There is also a principle that deals with the span of supervision. It is called frequently the "span of executive control," because supervision is usually a line phase of executive control. This principle says merely that in any given supervisory situation there is an optimum number of subordinates who should report to the responsible executive. I prefer to define an executive as any employee who devotes his time largely to the performance of managerial functions. This includes everyone in a leadership position from the chairman of the board to an assistant foreman, and puts them all on the same management team.

It is necessary, under this definition, to distinguish

between "spans of executive supervision" and "spans of operative supervision." The first deals with the number of subordinate executives who should report to a superior executive in a given situation. The normal range is from three to eight or nine subordinates. The second deals with the number of operative employees who should report directly to a first-line supervisor, unit chief or other minor operative executives. The normal range in this case is from ten to thirty operatives. The two ranges tend to overlap under certain conditions that cannot be discussed here. It is evident from this brief discussion that spans of supervision enter directly into the design of organization structure and the development of sound organizational relationships. These spans affect directly the number of major organizational echelons, executive salary expense, delegation, communications, executive morale and many other factors in effective, profitable business operations.

There are some misconceptions concerning the application of this principle. The ranges noted above are merely normal limits based on practical experience. Organizational planning is not an engineering problem. These limits do not constitute a design formula. There is, in fact, no mathematical substitute for executive judgment, particularly in problems involving human forces. There are, however, various corollary principles of the span of supervision that will aid the executive in forming sound judgments.

Policy has been defined as a statement of principles and supporting rules that relate business functions and factors to the accomplishment of business objectives. We have discussed briefly certain organizational principles. There are a great many more that have not been mentioned. Our sample of organizational principles is limited, obviously. It should be sufficient, nevertheless, to indicate their significance: They supply the basis for sound organizational policy.

Staff Is Auxiliary Service

"The staff is purely an auxiliary service. Its function is to be informative and advisory with respect to both plans and their execution. This is implicit in the meaning of the word 'staff' which is something to support or lean upon but without authority to decide or initiate. In the case of the execution of plans the only difference is that staff service becomes informative and advisory with respect to plans already formed, and in that sense supervisory. Hence, in the sphere of execution, the staff functionary, though he has no right of command inherent in his own function, may and usually does speak in the name of higher authority. To avoid confusion of ideas it is always essential to identify functions as such, without regard to the shifting relations through which such functions may be exercised. Above all, it is essential to keep in mind that the difference between staff and line is not the difference between thinking and doing, for these two faculties are present in every activity. The term 'staff' is strictly one of formal organization, to distinguish the function of counsel from the scalar right of command."—James D. Mooney and Alan C. Reiley, in *"The Principles of Organization."*

Organization Planning and Control

By L. L. Purkey

WHEN ADVANCING a case for organization planning, I am not attempting to sell the idea that there is any one pattern to which all sorts of enterprises may be molded. Each company has individual character and its own special needs. No one formula will fit the requirements of all business. Moreover, sound organization plans must begin at the grass roots. They are usually developed over a period of years and must be maintained on a basis sufficiently flexible to meet the changes which occur in our dynamic economy.

While the pattern and size of organization must be adjusted in order to suit the changes in volume and character of the business, there is a vital need for certain guiding principles if basic objectives are to be achieved.

We often hear serious discussions about company policies which are based upon nothing more concrete than the current plan of the moment or some hastily conceived expedient. As in any other important undertaking, it is necessary to establish policies on something more substantial and enduring than short-term remedial action. A good test of the soundness of a policy is first to put it in writing and then find out if two or more people can interpret it alike.

I submit for your consideration one expression of policy designed to guide top management in the maintenance of a sound plan of organization.

The plan of organization shall be maintained on a basis adequate to meet the current needs of management in the attainment of essential objectives.

The following guiding principles will be observed in the maintenance of this policy:

1. All operations and staff activities shall be segregated into logical and separable functions.
2. Individual duties and responsibilities shall be clearly stated in writing.
3. Relationships for proper coordination of individual and departmental effort shall be established and defined.
4. No one shall be expected to receive direction or take orders from more than one supervisor.
5. Authority to make decisions and to take action shall be delegated as widely as such authority may be used intelligently.

In one major industrial organization, that policy

and statement of guiding principles has withstood the stresses and strains of a world war, and the internal adjustments arising through four company presidents, each of whom has fully supported the policy and the means of its maintenance. But a statement of policy, however sound and clear it may be, requires a great deal of staff effort to make it effective. Maintenance of a logical and effective plan of organization is not a matter of chance or "doing what comes naturally." It involves the development and use of such instruments as organization charts, organization manuals or management guides, job descriptions, and job appraisals for salary control purposes. I will discuss these working tools later at greater length.

I am aware that organization planning programs don't always work out successfully when put into practice. This is traceable to two principal causes: (1) plans were designed to encompass too much territory in one change; (2) the management of the segments of organization under review were not consulted nor were they given an opportunity to make their contribution.

Experience has demonstrated that organization planning is most successful when the unit under review is amply represented by qualified personnel serving on the survey team. Under that arrangement, the survey team represents the inside, experienced point of view along with an outside objective point of view. This affords management the opportunity to make valuable contributions toward improvements, stimulates their interest and insures their acceptance of the finished plan. It also has another important virtue—it removes the feeling that the prerogatives of management, implied or real, are being abruptly brushed aside by a staff department working on a highly sensitive and controversial project.

DEFINITION OF THE PLANNING PROJECT

An indispensable item of organization planning is the definition of the project before the work is actually undertaken.

This should take the form of a project work order which states the objective of the study, the plan of accomplishment, the composition of the survey team, a timetable for completion of the various segments, and the final completion of the project.

Management personnel in the unit under study should be given the opportunity to review, revise, and

endorse the project work order before the survey work is actually started.

By following this arrangement and procedure, management becomes an active participant and shares in the responsibilities and accomplishments.

There is abundant evidence that the organization planning staff must always have the active support of the chief executive. He must encourage line executives to utilize the planning staff services as they would use the services of an outside firm of management consultants.

The chief executive's support helps to remove the resistance to change which might otherwise exist. Without that backing, the stresses and strains on human relationships are too great to be endured.

Reconcile and Coordinate

It is a serious mistake for top executives to permit line management to duck its responsibilities for maintenance of sound organization plans and controls. It is an equally serious matter for the activity to become a contest between line and staff management, with one side trying to cover up defections and extravagances and the other side equally zealous about exposing them. Such relationships always produce bad feeling as well as minimizing the benefits of a very necessary control.

In a large measure, organization planning is the orderly process of reconciling and coordinating the naturally diverse interests of management. The sales manager, eager for volume of business and gaining new customers, is prone to take long chances on poor credit risks. The credit manager, on the other hand, is concerned with reducing delinquency and bad-debt losses so that he will look equally well at the end of the year.

Under the direction of two wilful individuals, such unreconciled interests may develop into destructive contests, with the sales crowd working to put over any old deal and the credit manager applying the c.o.d. stamp to orders attached to an eleven-foot pole—primarily because he said he wouldn't touch the damned order with a ten-foot pole.

The same situation develops elsewhere when diverse interests come in conflict with each other and remain unreconciled through the orderly process of organization planning.

For example, one major company had for many years maintained its industrial relations under the conventional pattern of organization for such staff services. This company has been quite progressive in its voluntary moves toward improvements in such matters as good pay, liberal benefits, insurance, pensions, pleasant working conditions. And as a result the company had had no strikes or labor disturbances. Its labor turnover was very low and only a few crafts were represented by labor unions. In short, a wholesome paternalistic policy prevailed and had paid off in

the things that count most in the great families of American industry.

Then came the passage of the Wagner Act, and the emphasis on industrial relations shifted sharply away from traditional concepts. Labor union negotiations very quickly gained the ascendancy over matters of company policy. Outside pressures diverted attention from the maintenance of good relations on a cooperative basis, to a point where administration of long-established employee relations began to deteriorate.

In recognition of that development, a thorough study was made, and an important change in the organization structure resulted. It was determined that the external, competitive influences produced by labor union negotiations justified the creation of a labor relations department, tooled up to meet the challenges of these powerful new influences on labor-management relations.

It was also decided that by relieving personnel management of the responsibility for dealing with these external and competitive influences, the personnel department could be much more effective in the maintenance of the internal and cooperative features of employee relationships.

Define Functions Clearly

Under the formal organization change, the personnel manager was charged with the administration of personnel policies in step with the best practices in industry and with emphasis upon the maintenance and improvement of internal and cooperative personnel relations. The labor relations manager was charged with the responsibility of developing the best practices and techniques to strengthen the company's position in bargaining on the competitive aspects of external labor relationships. But both personnel and labor relations staff management report to a single vice-president who directs and coordinates their activities.

The cases described illustrate the part organization planning plays in appraising the need for organization changes and in reconciling the diverse interests of line and staff departments.

To be fully effective, organization planning should be on a thoroughly objective basis. Moreover, it should

Authority of the Specialist

"There must be a realization that line authority is (a) absolute, covering all aspects of a subordinate's work and (b) it is universal, everyone, whatever his or her duties, having a line superior. It follows that a specialist cannot have line authority but that a decision to appoint a specialist implies that there is an expectation that all subordinate authorities will be guided by him in matters within his competence."—*L. Urwick, Industrielle Organization, April, 1950*

A First Step Is Charting

"A good organization chart for the company as a whole, with auxiliary charts for each major division, is an essential first step in the analysis, clarification and understanding of any organization plan. The process of charting the organization is one good test of its soundness, as any organization relationship which cannot be readily charted is likely to be illogical and therefore confusing to those working under it."—*Paul E. Holden, Lounsbury S. Fish and Hubert L. Smith, "Top-Management Organization and Control"*

be based upon factual on-the-spot studies conducted by qualified personnel from the organization planning staff, with the assistance of qualified personnel from within the department under review. All management, staff, and supervisory positions should be defined in writing, so that the occupant will be under no uncertainty about his basic function, responsibilities, authority, and his relationships in the organization hierarchy.

As organizations grow in size and complexity, there are corresponding increases in the number and frequency of personnel changes in the management group. Such changes create uncertainty about responsibilities, authorities and relationships unless there is some authoritative record delimiting the functions, scope, and stature of the positions.

ORGANIZATION MANUALS

A well-conceived organization manual or management guide fulfils a number of important needs in executive development and training, promotes smooth working relationships and provides a valuable aid to position evaluation for sound salary administration.

This concept of an organization manual does not contemplate a record of mandatory directives expressed in "thou shall not" do this or that. It should be written as a statement of guiding principles to sound management practices; and above all it should not be cluttered up with a lot of procedural detail about the use of form P.

About fifteen years ago we, in the Standard Oil Company of California, came to the conclusion that there was an opportunity, through the use of what we chose to call the management guide, to remove the cause of a colossal waste of time spent by members of management in carrying out their implied responsibilities.

These guides supply the specific answers to questions that have troubled management since the first management team was organized.

In brief, they give the specific answers to the following questions:

- What is my basic function?
- What are my principal responsibilities?
- What are the outer limits of my authority to make decisions and take action without encroaching on another's position?
- What relationships am I expected to maintain with my superiors, with my subordinates and with my coordinates, both within my own department and with members of other departments?

The guides found increasing and enthusiastic acceptance throughout the company, its subsidiaries and its affiliates. Members of management who were given guides covering their positions soon discovered their value to them as individuals in accomplishing their duties. Perhaps the greatest appreciation of the value of a guide in daily affairs was engendered among those who were placed in newly created or radically changed positions. The management guide was their blueprint of responsibility and authority. Another category of individuals who found the guides useful and educational were those promoted out of the straight line of progression into positions embodying duties with which they were unfamiliar.

It is no overstatement to say that the management guide has done more to make something tangible out of the intangible subject of organization planning than any other single development.

In response to outside inquiries about the use of management guides, a series of brochures was published for distribution outside of the company, its subsidiaries and affiliates. We have distributed over 30,000 copies to individuals, companies, associations, schools, colleges, military and government agencies in all of the forty-eight states and in twenty-five foreign countries.

To be useful and effective, organization planning cannot stop at the graphic chart of the outline of the plan. The plan is incomplete unless it includes the definition of functions, their segregation or grouping, and their allocation to the proper organizational component or segment.

This process adds life and flesh to the skeleton of the plan. To produce a complete and articulated body and to check its conformation, it is necessary also to define and allocate responsibility, authority, and accountability. In this process, the relative importance or value of functions must be considered and proportionate emphasis placed on each. Otherwise the whole machine may be as out of balance as an eccentric wheel.

Applied Organization Planning

By Frederick M. Roberts

MY COMMENTS about organization planning and control will be built pretty much on the organizational planning program at the Atlantic Refining Company. It may help you, therefore, if I give you some background information about our company.

Atlantic Refining is engaged in the petroleum producing, refining, transportation, and marketing business. We have four operating departments and ten staff departments, all of which report directly to the president. The operating departments are:

Crude oil production (which includes our operations in the Southwest and Venezuela)

Manufacturing (which handles our refining operations by means of two refineries—one at Port Arthur, Texas, and our larger one in Philadelphia. Also grouped with manufacturing is the unit which purchases and sells crude oil.)

Transportation (which consists of our marine operations, crude and product pipelines)

Marketing (which is divided into two components, domestic and foreign. We do our domestic marketing primarily on the eastern seaboard and our foreign sales are conducted in Brazil, France, Portugal, South Africa, and certain other countries.)

Then we have ten staff departments also reporting to the president. These are:

1. Accounting
2. Administrative services, which is a grouping of several special staff activities, and includes auditing, budget, organization and methods, purchasing, and real estate
3. Communications
4. Economics
5. Engineering and construction
6. Finance
7. Industrial relations
8. Legal
9. Public relations
10. Research and development

In 1946, it was decided that the company's organization structure should be examined. The reasons for this review can be summarized briefly. At that time there were twenty-one departments reporting to the president. This seemed an excessive number for rea-

sonable span of control. Secondly, there was a widespread lack of definition of responsibility and authority assignments within the company. This created misunderstandings and friction among departments. Thirdly, we were confronted with the imminent retirement of several major executives. This highlighted the need to develop executive personnel for higher-level positions. Finally, there was a need for effective coordination of activities of the various company departments.

In order to conduct this review, the organization and policy division was established in 1946. This unit is a part of the organization and methods department (which in turn comes under the vice-president and general manager of administrative services, who reports directly to the president and is a member of the board of directors). The organization and methods department consists of four divisions: office methods, industrial engineering, job analysis and evaluation, and organization and policy.

At the present time, the organization and policy division is comprised of seventeen people, and I can assure you that we have more than enough work to occupy their time. The division has three sections: two departmental studies sections and one research and special studies section. Since our organizational planning program is designed ultimately to cover all departments of the company, we currently devote most of our effort to complete departmental studies (which will be described later) performed by the two departmental studies sections. The research and special studies section handles "fire engine" jobs concerning isolated organizational problems, and conducts special research such as developing a plan of organizational control or designing a company organization manual.

At the outset, the division started its activities at the top and worked down. We made a study outlining the responsibilities of the board of directors, which was reviewed and approved. In 1948, we made a study of our domestic sales department because of some special problems there.

In 1949, we felt we had to have some framework upon which to base our whole organization picture, and we made a rather broad study of the complete

company organization. That study took us approximately a year and a half. As a result of that study, we submitted a report outlining a skeleton framework for the whole company. This was really our general blueprint for the company organization. In the entire process we had to define the objectives of the company, the responsibilities of the board of directors, the responsibilities of the president, and certain other general delegations of authority at the top level. All of this has not been accepted as yet, because a skeleton framework which does not include a lot of detail must be reinforced with departmental studies.

We then proceeded from the top level down into the departments. In 1950, we made a study of our engineering and construction department. In 1951, we started to study the domestic crude oil production department and economics department. In the same year we completed a study of the communications department. Our schedule of studies for the future is based on the order in which management wants the studies undertaken. At the moment we are concentrating on the four operating departments.

Now I would like to describe how we go about an organization study in our company. (I realize that our way is not the only way to make an organization study, but it has, I believe, proved successful with us.) In my description I will talk about a departmental study since that is the most important element of our program.

We first outline the area to be studied. In other words, we get definite agreement as to how far down in the organization we will go in every study. In some departments we go down further than in others, depending on the circumstances.

Next we review any existing data which we may have on the department under study. We may have organization charts. We may have made some special studies in the department. But the best source of information is the material we get from our job analysis and evaluation plan. Our job analysis program was started in 1930, and we have specifications

Functions of Board of Directors

"The major functions of a board of directors are to select the chief operating officers of a corporation, to establish basic policies, to decide major problems, to check on results and otherwise to assure to the greatest extent possible effective management of the corporation's affairs. The actual operations are delegated to the operating executives, and in any well-managed corporation the nonexecutive directors take no part in the performance of current operating tasks."—Melvin T. Copeland, *"The Federal Trade Commission Indicts Itself,"* *Harvard Business Review*, September, 1951

Functional Control

"Functional control relationships are common in large organizations. A functional control relationship implies control over the policy and method to be followed by an individual even though he reports to a line executive, as his boss."—C. C. Balderston, from a talk on "Good Organization," *Pittsburgh Personnel Association*, October 12, 1944

on most of the positions in the company. In each study, we review the job specifications for the positions within the department to gain a general knowledge of the work carried on there. This general knowledge is then supplemented by interviews with key personnel of the department in order to give us a detailed picture of the current organizational setup and delegations of authority. Before interviewing these individuals, we obtain concurrence from the particular department head involved. He may agree with our tentative selections, he may suggest substitutes, or he may eliminate some for various reasons; but in any case we reach an agreement with him as to the individuals to be contacted. The number of persons we interview may run from fifty or sixty in a large unit; it may be five or six in a relatively small unit. And in the interviews we proceed from the general manager of the particular department downward to whatever level seems necessary to obtain the information we need.

As we interview the key personnel, we record, on what we call a functional analysis form, pertinent information regarding the present situation. This includes a listing of the functions for which the man interviewed is responsible, his specific authority and responsibility limits in connection with these functions, his reporting relationships, the units he directs, and other miscellaneous organizational information. We also get the interviewee's opinions regarding the adequacy of the present organization. Some of our best ideas come from people we interview. This isn't surprising since we can't be expected to know as much as they do about their own activities. At the same time, our analyst records on the functional analysis form any observations that occur to him, so that we will not forget them when we come to the point of synthesizing all the information. These forms are retained as part of our permanent records.

The difficult job comes after the interviewing phase. This is when we begin to analyze the data we have collected. It is at this point that we begin to apply the principles of good organization. Taking into consideration these principles, the observations of those contacted, and discussions of preliminary proposals with

units affected, we arrive finally at what we believe is an "ideal" plan of organization for the component studied. This portion of the total job requires the greatest expenditure of time and skill. After we have reached our conclusions, we prepare a formal report setting forth our recommendations as to the organizational structure and the specific delegations of authority at the various levels of management.

We work very closely with our industrial relations department and keep them informed as to our progress. We also give them a copy of our final report. Industrial relations is then able to conduct personnel surveys concurrently with our studies, and in this way organizational and personnel planning can be tied together.

After the report is submitted, we sit down and discuss it with personnel of the affected department. Naturally, in work of this type, there are differences among us. A great many of these are resolved through discussion. However, we are a staff agency and can only recommend. Therefore, if any differences are not resolved and if we feel we have a good case, we appeal through channels for a final decision. These appeals may, if necessary, go to the president. After the organization structure has been determined, we help install it if our assistance is required. That, in brief, is the way we now operate.

We at Atlantic feel that there are several benefits that come to the company from this organizational planning program: (1) There is an improved efficiency of administration through a clearer understanding of individual responsibilities and limits of authorities; (2) The elimination of uncertainty improves morale; (3) The equitable distribution of work load among executives eliminates bottlenecks, improves the span of control, and expedites action; (4) It facilitates the development of an executive training program for replacements, and it also permits transfers on a

planned, orderly basis; (5) It eliminates friction caused by overlapping and duplicating responsibilities; (6) It makes possible expansion of the company along sound organizational bases; (7) And it minimizes the tendency to establish an organization based upon political considerations, personalities, or expediency.

In conclusion, I would like to stress a few points with which many of you are familiar but which, I believe, cannot be emphasized too much.

In the first place, the best organization planning is no guaranty of good administration. A sound organization does not atone for sins in other phases of administration.

Secondly, organizational planning must be tailored to fit each situation. While we often make outside surveys to learn what other companies are doing, we realize that our organization cannot follow precisely the plan of another company.

Thirdly, this admonition: Don't feel that a reorganization plan must be installed overnight. The changes which we decide are necessary may not be made immediately. In other words, we draw up an ideal plan toward which we work. Usually, we have found that, for personnel or other reasons, all of the changes decided upon cannot be made at once. There has to be a gradual implementation of the agreed-upon plan. That is important, because organization planning has some tendency to cause morale problems, even at the instigation of the plan. To avoid such morale problems, we meet with the key personnel whom we are going to interview. We tell them what we are doing. We answer all their questions, and try to sell the program at the beginning of our studies.

Finally, organizational planning is not static. It is dynamic. It is related to changes in methods, in the aims of the enterprise, in personnel, economic conditions, technological improvements, etc. You need to review your organization plan constantly.

Decentralization Not Necessarily Geographical

"Decentralization . . . is typified by the often used phrase 'centralization of policy but decentralization of management' . . . In essence, the decentralized form of management contemplates the formulation of plans and policies affecting the company as a whole in the central executive body; the management of the various operating units is then turned over to the heads of such units on a relatively autonomous basis. The local manager is free to manage his operation as he sees fit within the broad framework of policies established by the central group. . . . Decentralization, as a way of managing, may be employed whether there is geographical dispersion or not."

—Frank F. Gilmore, from column "Thinking Ahead," *Harvard Business Review*, March, 1951

Decentralization

By Guy Hamilton, Jr.

DECENTRALIZATION probably has been evaluated from as many diverse viewpoints with as many different conclusions as any other phase of business organization.

Perhaps it would be helpful to briefly define the term decentralization. Reduced to its fundamentals, decentralization is simply the division of a relatively large or complex company into a group of relatively small businesses by product lines, by types of operation, or by area, in order to obtain components which can be managed effectively by one man.

In the United States, decentralization of industrial organizations is a relatively recent development which has come about primarily in two ways.

The first resulted largely from the tremendous expansion of companies that had grown from relatively humble beginnings. They outgrew centralized management. My own company, the Ford Motor Company, is typical of this type.

The second was an outgrowth of mergers or consolidations of going concerns. United States Steel Corporation, International Harvester, and General Motors are good examples of this type. Because they were originally formed by financial mergers of a number of existing companies, they were decentralized structures from the time the final merger papers were signed. The local managements of the various concerns which were drawn together to form these corporations continued, to a degree, to manage their concerns in much the same manner as they had prior to the mergers.

It is interesting to note that about 1923, the directors of General Motors gave serious consideration to centralizing its managerial functions. Also of interest is Alfred P. Sloan's statement a few years ago that of all the policy decisions made by General Motors over the years the most important one was the decision made in 1923 to maintain a fully decentralized and internally competitive organization.

Each of these companies has had varying degrees of physical decentralization almost from its inception. But the decentralization of management responsibility is a different matter. It is something which exists to some extent in almost every business that has more than a handful of employees. Quite frequently, however, it is not formalized in any way in relatively small enterprises. Surprising as it may seem, it sometimes is not formalized even in very large companies. For

example, I know of one corporation with about 80,000 employees which has never charted its organization structure or reduced to writing the specific responsibilities of its various echelons of management. This is a multiplant company with a nation-wide business, so it obviously has decentralized a portion of management responsibility on some informal basis.

Those of us whose bread and butter is the business of organization planning, management control, policy development and so on, may find such a situation hard to conceive. Such a business could probably profit materially by the use of formal organization programs and by the use of appropriate controls in addition to financial statements. But the fact remains that both large and small companies not only can survive but can prosper to an extent without either formal organization plans or written delegations of authority.

Before we touch on the theories of decentralization and their application, I'd like to mention some of the actual experiences we've had at Ford in the past few years.

THE EXPERIENCE AT FORD

For over forty years prior to 1945, Ford had a very highly centralized management. In 1945, however, it was decided that it would be desirable to decentralize the management of the company. One of the first moves was to establish a department responsible for the study of various types of organization which might be adopted.

After extensive study of the problem, the organization department of the company recommended a long-range organization plan which can be described in general terms as a line-and-staff organization, with the operating activities set up along product lines.

Since Ford has well over a billion dollars invested in its facilities, with about 123,000 employees, fifty-five plants, twenty-four parts depots, and fifty-seven sales offices, such a major change in the organization could not be made in one fell swoop without serious disruption of operations.

The long-range program for decentralization of the company was consequently broken down into several phases. The central staff of the company was divided into segments which were fairly representative of most manufacturing concerns—the general counsel's office, sales and advertising, finance, manufacturing, engi-

neering, purchasing, international operations, etc. During the first phases, a number of these staff activities retained direct operating responsibility for manufacturing and assembly plants and sales offices.

The ultimate objective, however, was to have all operating activities organized into logically separate divisions which would operate as completely integrated businesses with full profit and associated responsibilities. The first of these was the Lincoln-Mercury Division which was established in 1946.

The Ford Division was established in early 1949, and there are fourteen other operating divisions which have been established within the company in conformance with the over-all long-range organization plan.

These operating divisions of the company eventually will all be fully responsible for operation as separate concerns, subject only to broad policy guidance by the staff agencies of the company. At present some are still dependent to a degree on direct services performed by the staff. For example, it has not been practicable to give all the divisions the authority to do their own manufacturing engineering, since there are certain types of facilities and equipment utilization problems which can be handled more readily on a centralized basis.

In a company of Ford's size, such a program of changing from highly centralized management to virtually complete decentralization involves many problems. None of these problems are insurmountable. But a great many are of such a nature that the decentralization program must be spread over a period of years.

It is, for example, a simple matter to state that all assembly plant managers are responsible for meeting their respective production programs, producing high-quality products, coordinating distribution and delivery schedules with the district sales managers, reducing production and other costs, administering progressive salaried personnel programs, handling labor relations problems, maintaining their plants and equipment and machinery in good condition, and so on.

But it is an entirely different matter to develop effective policies and procedures which will give those assembly plant managers the information, policy guides, and procedural instructions which they need to make intelligent decisions and to carry out those responsibilities in an effective and uniform manner.

STEPS TOWARD DECENTRALIZATION

In a company which is not decentralized there are a number of things which should be done before attempting to decentralize in any manner:

- The long-range objectives of the company should be decided upon. It would obviously not be desirable to embark on a decentralization program, if, for example, the management of a company planned to

curtail sharply the number of its product lines in the next few years. Similarly it might not be desirable if the management had definite plans to sell a substantial portion of its plant facilities or retail outlets.

- A well-rounded organization plan adapted to the specific needs of the business should be developed if none already exists.

- Key personnel to staff the organization should be selected. This is particularly important, since a decentralized company usually requires substantially more people with executive ability than does a centralized company of the same size.

- Authority commensurate with the delegation of responsibility must be delegated.

- Appropriate management controls must be provided.

Since one of the prime purposes of decentralization is to permit decisions to be made promptly and to be based on full knowledge of all the pertinent facts, the size of the business is obviously a factor. The difficulty of making right decisions is increased in proportion to the distance the executive is removed from the problem—either physically or by intermediate echelons of management.

In a large manufacturing company it is highly desirable to decentralize the authority to make all types of decisions to the greatest possible extent. This should be done in order to provide prompt decisions at the point at which the questions arise. It is also desirable in order to avoid delays in obtaining decisions and to reduce unnecessary paperwork. And possibly this is the paramount consideration—the delegation of authority to the greatest possible degree at all levels of management permits the time of the executive at any level to be devoted, as it should be, largely to the development of policies, guides, plans and programs; to supervision of those reporting to him; and to careful evaluation of both day-to-day performance and long-term results as compared with over-all plans.

One of the factors which should be considered is the nature of the company's business. For example, the question might arise in a retail business as to whether a greater volume of sales and profits can be obtained in a large establishment located in a downtown area or

Place of Executive Assistants

"Staff positions designated 'assistant to' an executive act on his behalf and by his direction on matters for which the executive is responsible. The 'assistant to' is regarded as part of the executive's position; directions or decisions made by the assistant are regarded as emanating from the executive and on his responsibility and authority."—R. E. Gillmor, *"A Practical Manual of Organization"*

Organization Planning

"Top management support is an absolute essential for the launching of a successful organization planning program. In any organization there is naturally a certain amount of resistance to change. Only the chief executive will be able to overcome all of this and enforce the necessary changes. Also, there must be continuous follow-up, and this requires top-management support."—Joseph M. Trickett, "Organization Planning," *Advanced Management*, March, 1948

from a series of smaller outlets located strategically in outlying locations.

Still other important factors are availability of labor, freight costs, dispersion of production facilities because of defense considerations, the degree of service being given to customers, and whether or not all products in the line are receiving their fair share of management attention.

It seems to be an accepted fact that the orderly delegation of appropriate authority and responsibility to all levels of management pays off extremely well over the long run. But it does present very real problems. In a large organization which has not had any appreciable amount of such delegation previously, it is difficult at first to get supervisors to realize they are expected to make decisions and to take action solely on their own initiative. This is complicated by the fact that policies and guides cannot be developed and put in writing overnight. We attempted to counteract this in our decentralization at Ford by going into the program in phases, so that the process of training supervisors and getting them to assimilate new philosophies of management would be a gradual one.

It isn't always easy to get all personnel who are affected to understand clearly the difference between a line activity and a staff activity, and the relationships between the two. This problem may be greater in decentralized companies in which staff personnel were previously performing similar functions on a centralized basis.

For example, let's look at a hypothetical sales organization in a company which has just established several product divisions, each of which has its own sales organization. If the top sales executive of the company formerly had direct operating control of all sales activities, it may be hard for him to realize that he should—under the decentralized plan—only determine broad sales policies and objectives for the company as a whole and that he should give advice and assistance on the sales activities of the operating divisions through the general manager of the division. Similarly, the sales manager of an operating division will probably find that he has an adjustment to make in order to follow the guidance of the division general manager,

rather than reporting directly to the top sales executive of the company.

The ease or difficulty of this line-and-staff relationship depends to some extent on the personalities and capabilities of the individuals involved. The manner in which the staff relationship is developed is also materially affected by the degree of thoroughness with which the organization plans and the corollary policy guides are worked out. In a company just beginning to decentralize, the people who develop the organization plans will probably need to devise some medium which will help to promote full understanding of the plans and the proper line-staff relationships. This job of obtaining complete acceptance of organization plans and programs is something which must be carried on over a period of time (in a large company, probably for the life of the concern) and must have the full support of the management at every echelon.

COMMUNICATION

There can be no satisfactory decentralization plan which does not provide for an adequate flow of information through each level of management to the chief executive of the company. The plan must also provide for careful evaluation of such information, and for formulation of current operating instructions, future plans and programs based on factual data.

At present, several different methods are successfully used in industry for compilation and analysis of factual information and for the formulation of plans based on such information. A great many large companies use various types of committees for the purpose. Others use some variation of a control group at each echelon of management. Still others depend on coordination of data between various members of the staff at each level.

In the Ford Division, management has chosen to use committees. We have what is termed an operating committee, the membership of which is composed of the head of each major segment of the division, including the general sales manager, the general purchasing agent, the general manufacturing manager, the controller, and so on. The vice-president and general manager of the division acts as chairman. This committee meets at regular intervals to review various phases of our business and to make plans for future courses of action. There is a formal schedule of the matters to be presented to this committee and its various subcommittees, including such matters as cost, price and profit objectives, future model changes, production programs, facilities requirements, personnel performance, morale, compensation, etc. Like other similar organizational devices used for control purposes in large companies, these committees are purely advisory and do not have any line authority.

It would be fallacious to assume that decentralization of any given type is a good plan for any company. As mentioned earlier, a sound program of decentraliza-

tion must be carefully tailored to fit the exact requirements of a company. It must be completely in accord with the management philosophy of the top executives of the business if it is to be even reasonably successful. And since management philosophies are never static, the program must be sufficiently flexible to allow for changes in emphasis on the various aspects of the business.

ADVANTAGES OF DECENTRALIZATION

In any large business, or in any relatively small concern which has either highly diversified or extremely complex operations, a well-thought-out, formal decentralization plan has advantages which far outweigh the disadvantages.

It would be difficult to determine which of the various advantages is the greatest; and certain advantages might be appreciably more important to one type of business than to another. Here are a few of the advantages which seem to have general applicability.

1. Decentralization of responsibility frees top management of the necessity of devoting time-consuming attention to operating details. The chief executives' time can be largely directed to more fundamental jobs which cannot be delegated—those of determining long-range objectives and broad operating plans and policies, reviewing all aspects of the major parts of the business at regular intervals, giving adequate supervision to the next lower echelon of management, keeping informed on current trends in the particular industry, making essential public appearances, etc.

2. It provides a better training ground for junior executives and other supervisors, since they have an

opportunity to make relatively important decisions and take action on their own initiative.

3. The grouping of like operations and the segregation of unlike operations can be accomplished, with consequent concentration of technical skills and managerial "know-how" in the areas in which they can be used most profitably.

4. Personnel relations can generally be maintained on a better basis than is the case under centralized management, since the worker can be given a greater sense of being a member of the team and the supervisor a more realistic feeling that he is the coach. This is one area, however, in which it is compelling that uniform policies and procedures be applied in order to assure that all employees in any particular category are treated on the same basis whether they are employed in Seattle or Atlanta.

5. Public and community relations can usually be maintained on a more satisfactory basis since the managers of decentralized plants or sales offices can keep in close touch with local attitudes concerning the company and its products.

6. Decentralized manufacturing management is in a better position to maintain costs at a low level and quality on a high level because it can attack costly operations and poor workmanship directly at the source.

In summary, the weight of the experience of most large companies which have decentralized management responsibilities indicates that the advantages of decentralization are so substantial that any problems encountered in effecting the decentralization are relatively insignificant.

The Exception Principle

"It is not an uncommon sight, though a sad one, to see the manager of a large business fairly swamped at his desk with an ocean of reports and letters, on each of which he thinks he should put his initials or stamp. He feels that by having this mass of detail pass over his desk he is keeping in close touch with the entire business. The exception principle is directly the reverse of this. It states that the manager should receive only condensed, summarized, and invariably comparative reports, covering, however, all of the elements entering into the management, and even these summaries should be carefully gone over by an assistant before they reach the manager, and have all of the exceptions to the past averages or to the standards pointed out, both the especially good and the especially bad exceptions, thus giving him in a few minutes a full view of progress which is being made, or the reverse, and leaving him free to consider the broader lines of policy and to study the character and fitness of the important men under him."—*F. W. Taylor—"Shop Management."*

Functions of the Chief Executive

By M. W. Cresap, Jr.

IT HAS BEEN fashionable in discussing organization, and more specifically the functions of management, to contrive words not in the dictionary in order to crystallize the substance of the ideas expressed. Luther Gulick, who probably has done one of the best jobs in articulating this subject, several years ago coined a word, now familiar to many, which has performed the very useful function of capsuling a concept which is difficult to remember in all of its ramifications. Mr. Gulick's word was *posdcorb*, which is comprised of the initial letter of each of the eight functions of management included in his presentation—planning, organization, and so forth.

Mr. Gulick's *posdcorb* has stood the test of time and, to my knowledge, nothing fundamental has been added since, although the same ideas have been wrapped up in different packages. Nevertheless, wanting to avoid plagiarism and at the same time borrow the use of his very handy technique, I have invented my own capsule word for my discussion. This word is *tipe*. It fits the tradition by not being associated with the English language. It has the additional advantages of being short, less fanciful, and more readily pronounceable than some of its predecessors.

Tipe summarizes my concept of the four basic functions of the chief executive: *to think, to investigate, to plan, and to execute*.

THINKING

For the purposes of this discussion, the term *thinking* refers to a process of mental detachment and orientation whereby the chief executive achieves a balanced perspective for defining problems, developing solutions and evolving new ideas. In my opinion, this is the first responsibility of a chief executive.

Because of the importance of the function of thinking in this connection, I would like to dwell briefly on a significant distinction between the types of thinking in which a chief executive must engage in order to do his job properly.

The first is what I would term, for lack of a better word, unintentional thinking—thinking that is not planned, but which involuntarily crystallizes from the uninterrupted workings of the subconscious mind. Thoughts precipitate from subconscious sources under certain conditions of relaxation and detachment. Witness the ideas which have come to us in the middle

of the night, on the beach, in a fishing boat, or while working in the garden. It has been my observation that by far the most valuable and valid thoughts have occurred in this manner. We have all noticed the superior quality and freshness of ideas which men bring back from a vacation, or even from a sick bed. Although I can't prove it, I suspect that on Monday, in most offices, are born more constructive ideas generated over the week end than on any other day.

At any rate, certainly the weight of evidence conclusively confirms the fact that periods of rest and detachment are highly productive of good thinking and progressive ideas. It is for this reason that, in my opinion, a chief executive is not properly discharging his responsibilities if he does not take at least a month's vacation during each year (not necessarily at one time), plus a liberal number of long week ends, devoted to things which put him in a detached and relaxed frame of mind. This conclusion is associated only with the occupational performance of the chief executive, although it has a personal advantage to him in preservation of his physical and mental health.

There is another type of thinking which might be called intentional thinking—that is, planned or deliberate mental application, either directed at specific matters or employed in reading or talking on broad business and economic subjects. The trade and general business press, particularly the latter, are of tremendous value to executives, with respect to not only information obtained but, more important, the stimulation of ideas.

You may consider my talk somewhat out of balance in that I have appropriated so many of the few minutes available to me for a discussion of so axiomatic a point. This is deliberate and is not a result of unconscious rambling. While lip service is given to the principle that thinking is the keystone of the chief executive's job, it is not fully accepted, and certainly is not adequately practiced. If the chief executive doesn't think, if he fails to give himself the opportunity to do so, the rest of his administration will be soiled by the inferior quality of the basic ingredient, even though his capabilities in all other respects are first rate. Usually those managements which are characterized by lack of imagination and foresight, or as excessively traditional and hidebound, or as unprogressive, or as inhibited, or as strategically inept, are led by those

who have failed to discharge this fundamental occupational responsibility.

INVESTIGATING

The process of thinking spawns ideas which should usually be regarded as only candidates for acceptance, requiring more formal confirmation before they are reliable springboards for action. The type of confirmation needed will vary considerably. In some cases, an idea requires only informal discussion with associates (as in the case of ideas regarding matters of organization or personnel). In other cases, full-fledged studies are indicated, such as ideas relating to new products, where extensive facts must be obtained concerning markets, facilities, financial requirements, and other considerations. Where comprehensive study or research is indicated, consultants serve a useful and valid purpose.

You may wonder why, in discussing the job of the chief executive, I again accentuate the obvious by mentioning such a widely accepted principle as the necessity of investigating ideas before acting. Here again, the acceptance is too often of the surface variety, and too frequently this simple rule is overlooked. The difference between a management which is impetuous and given to hunch decisions is not dependent necessarily on the quality of the initial thinking, but more likely upon the research and testing applied to ideas evolved in the imagination before they are put into action. Management, in seeding its untested thoughts, would do well to emulate the proven techniques to which the research laboratory adheres in processing new ideas.

PLANNING

Planning is the third basic responsibility of the chief executive. The term planning, in this sense, means the formulation of plans for the future development and improvement of the business. Such planning is an orderly process of assembling material in concrete and documented form, thereby crystallizing in considerable detail the intentions, principles and contemplated programs on which the future development of the business will be based. Such a plan serves as the "Bible" or charter to guide all those in the organization who must govern themselves accordingly.

The principle of future planning is receiving increasing attention among business organizations, but in my belief some current planning suffers from improper choice of the planning period and from lack of flexibility.

It seems to me that future planning is most soundly approached in general on the basis of a five-year projection. Less than five years provides too short a period of time for accomplishing the underlying groundwork to achieve the planned objectives. A longer period may result in a serious case of eye strain for those

who are charged with looking into the crystal ball.

Plans without a high degree of flexibility run a great risk of subsequent abandonment. It is a practical impossibility to design even a five-year pattern, and then resolve to stick by it through hell and high water (both of which occurrences will probably be experienced in the course of the period). I said you can't; of course, you can, but you may look a little foolish trying to do it. How would you like to be operating today, in your business, on a plan that was set up in January, 1947, without revision in the meantime? Figuratively, long-term plans should be written in pencil rather than in ink. Specifically, plans should be regularly revised every year, with each revision embracing the five subsequent years, and reflecting new circumstances and conditions, thus providing a rolling five-year plan based on up-to-date information and estimates.

I have talked rather loosely about long-term plans without defining what I mean. While the exact nature of plans must be tailored to the requirements of each individual case, the basic long-term plan normally would consist of the following essential elements:

1. *Objectives*—goals which the organization is aiming to achieve five years hence.

These objectives should depict the character, composition and mix of the business which it is desirable to attempt to achieve. This entails answers to some basic questions, including the following: Is there any desired change in the basic type, character or purpose of the business? In the products or services offered? In the price niche to be filled? In market coverage? In the relative emphasis to be accorded the component lines or services?

Objectives should establish the goals of performance (which must be reasonably attainable) to be accomplished in the future. These should cover the share of market to be obtained, the dollar sales volume, the profit margins, and the return on investment. They should be set up for the enterprise as a whole and for each of its component product departments and product lines. These long-term objectives provide the framework for annual budgets, which should represent the extent of accomplishment of the five-year goals to be achieved in the year budgeted.

2. The second element in long-term plans is policy—covering all important factors on which the development of the business will be hinged. These policies might be termed the "by-laws" of the long-term plan. Examples of policy subjects that might be covered in a long-term plan are those relating to quality, pricing, distribution, sales promotion, buying versus producing materials or components, labor relations, public relations, finances.

3. The third essential element in a long-term plan (and one which if omitted reduces the plan merely to a set of intentions) is a comprehensive and thorough program to attain the established objectives and to effectuate the established policies. Such a program, of course, would vary according to the nature of the plan, but the following are illustrative of the most important developments to be programmed in support of the entire plan:

- a. Organization structure

- b. Personnel—future requirements to meet new and vacated positions, the selection of replacements, their development, and their motivation
- c. Physical facilities
- d. Research and development program
- e. Materials supply
- f. Distributor and dealer organization
- g. Financial requirements and how to meet them

A program to be effective should not only cover what, but also who and when.

So much for the planning element of the chief executive's job. Before leaving it, I would like to stress the relationship between adequate long-term planning and certain organizational characteristics which are now receiving a widespread and intensive emphasis—delegation and decentralization. These cannot be soundly implemented without the proper framework of plans which serve as the guiding instrument to assist all concerned in the direction of their own efforts. A sound and thorough program is an essential preparation to achieve these organizational ends without the availability of detailed and well-understood plans will inevitably result in confusion, conflicting efforts and working at cross purposes internally.

EXECUTING

I come last to the fourth element in my concept of the chief executive's job, and the one which has received the greatest emphasis and attention in practice, with the result that I feel it needs the least amount of discussion in my talk. I can define the term *executing* in this context as incorporating the following:

1. The exercise of effective and timely control over the progress of the organization in achieving the long-term plan, and over actual performance compared to budgets. The exercise of this function of the chief executive's job requires the kind of planning I have outlined, and also an intelligent and summarized reporting system which clearly signals the need for attention and action, and does not require readers to engage in an advanced type of detective work. This formal system of "control" must also be supplemented by the less formal means of keeping abreast with progress and performance—personal discussions, inspections, etc. Such information makes it possible for the chief executive to assure that prompt action is taken with respect to controllable failures in the progress made against the long-term plans or the annual budgets. This "control" over the accomplishment of plans is the greatest of the executive responsibilities of top management, since it includes not only the surveillance of performance but also assuring that organization and personnel are developed in line with needs.

2. Coordination of the executives reporting to the chief executive, to assure that their decisions and actions are in harmony.

3. Making important decisions on specific matters arising from time to time, which are not within the scope of established plans or policies, and not within the responsibilities of individual staff or line executives reporting to the chief executive.

4. The exercise of leadership, which is the most important personal attribute required of a chief executive. I will not attempt to define the brand of leadership I intend to convey because this has been done in masterful fashion by L. Urwick in his excellent brief book on "The Elements of Administration":

"The degree to which he can elicit the constructive qualities in the personnel of all grades, and stimulate them to a spontaneous and ordered and cooperative effort to carry out both the immediate and wider purposes of the undertaking, is the test of the administrator. The man who can impose his will on others may succeed up to a point, by dint of forcefulness and industry. But the motive power of the enterprise will be limited to the drive he can impart: it will always be a one-man-power organization. The man who can focus and thereby magnify the wills of all associated with his is a leader. He interprets the purposes of a great undertaking in terms which reach the understanding and inspire the enthusiasm of all ranks, so that his will and theirs are one. He becomes the fulcrum which gives leverage to the collective will. He commands a power out of all proportion greater than the individualist leader. In human terms, he will feel pulsing under his fingers:

"The strength of twice three thousand horse
That seeks a single goal."

"That is why the greatest crime the administrator can commit is to be too authoritative, too impatient of criticism and discussion, too quick to resent as disloyalty frank difference of opinion as to policy. Disloyalty arises when decisions have been taken, in lack of energy in implementing them, never in the processes through which they are formulated. To treat opposition as something to be crushed or swept aside is to start the insidious process by which candid officials are turned into 'Yes men,' creatures who first inquire what will be 'liked' by their superiors before formulating their own views, who have lost the taste for honesty when thinking about the affairs of the organization. Once that process is started it will corrupt a whole undertaking like a leprosy. The direction will be robbed of the greatest contribution the personnel can make to the undertaking, unbiased and fearless statement of the best thought of which they are capable. Enthusiasm will be stifled, ability frustrated and energy turned inwards to concentrate on self-seeking."

These four basic elements (thinking, investigating, planning and executing) represent my version of the fundamental responsibilities of the chief executive. You may wonder how any chief executive can do all of these things, particularly in larger organizations. Except in unusually small or uncomplicated situations, the chief executive can't personally perform all of the things I have listed. But these are the matters to which he must give his first attention, and it is his direct responsibility to assure their performance.

Trends in Labor Relations

COURT RULES ON MANAGEMENT CLAUSE

THE United States Supreme Court in a six-to-three decision overruled an NLRB finding that a company violated the Taft-Hartley Act by insisting on a management prerogative clause.¹ Furthermore, the court's majority said that the NLRB does not have the right to sit in judgment on the "substantive terms of collective bargaining agreements."

The background of the case, as stated in the majority opinion, is that the NLRB certified the Office Employees' International Union, AFL, as the collective bargaining representative for the American National Insurance Company's office employees. The union then submitted its contract demands, one of which was a provision calling for unlimited arbitration.

Management Rights Clause in Dispute

The company objected to the unlimited arbitration provision, and as a counterproposal submitted the following management prerogative clause:

"The right to select and hire, to promote to a better position, to discharge, demote or discipline for cause, and to maintain discipline and efficiency of employees and to determine the schedules of work is recognized by both union and company as the proper responsibility and prerogative of management to be held and exercised by the company, and while it is agreed that an employee feeling himself to have been aggrieved by any decision of the company in respect to such matters, or the union in his behalf, shall have the right to have such decision reviewed by top management officials of the company under the grievance machinery hereinafter set forth, it is further agreed that the final decision of the company made by such top management officials shall not be further reviewable by arbitration."²

The union took the position that it "would not agree to such a clause so long as it covered matters [upon which the employer is required] to bargain collectively under the labor act." The NLRB filed a complaint against the company "based on the union's charge that

respondent had refused to bargain as required by the labor act and was thereby guilty of interfering with the rights of its employees guaranteed by Section 7 of the act and of unfair labor practices under Sections 8 (a) (1) and 8 (a) (5) of the act."

While the NLRB proceeding was pending, negotiations between the union and company continued, with the management functions clause remaining an obstacle to agreement. During this period, the company established new night shifts and introduced a new system of lunch hours without consulting the union.

The union offered a second contract proposal which included a management functions clause containing much of the language found in the above clause but with the vital difference that questions arising would be subject to arbitration as in the case of other grievances. Finally, after the trial examiner had issued his report, but before decision by the board, an agreement between the union and respondent was signed. The agreement contained a management functions clause that rendered nonarbitrable such things as discipline, work schedules and other matters covered by the clause. Promotions and demotions were made the subject of a special clause, establishing a union-management committee to pass upon promotion matters.

While these negotiations were in progress, the board's trial examiner conducted hearings on the union's complaint. The examiner held that the company had a right to bargain for inclusion of a management functions clause in a contract. However, upon review of the entire negotiations, including the company's unilateral action in changing working conditions during the bargaining, the examiner found that the company had refused to bargain in a good-faith effort to reach agreement. The examiner recommended that the company be ordered in general terms to bargain collectively with the union.

Clause "Per Se" Violates Act

The NLRB agreed with the trial examiner that the company had not bargained in a good-faith effort to reach an agreement with the union. But it rejected the examiner's views on an employer's right to bargain for the management functions clause. They held that the company's action in bargaining for inclusion of the clause constituted "per se, violations of Section 8 (a) (5) and (1)." The NLRB's decision said "it is clear that from the inception of negotiations the chief

¹ The majority consisted of Chief Justice Vinson and Justices Jackson, Frankfurter, Reed, Clark and Burton. The Chief Justice wrote the majority opinion. Justices Douglas and Black joined in a dissenting opinion written by Justice Minton.

² The employer submitted the above clause as a result of discussions with the union. It is an amended version of the following clause which was the first to be submitted to the union: "The right to select, hire, to promote, demote, discharge, discipline for cause, to maintain discipline and efficiency of employees, and to determine schedules of work is the sole prerogative of the company, and company's decision with respect to such matters shall never be the subject of arbitration."

obstacle to agreement was the respondent's inflexible position that it would not conclude any contract with the union unless it accepted the respondent's so-called prerogative clause. . . . By this clause the respondent sought to reserve for himself the right to determine unilaterally such terms and conditions of employment as working rules, work schedules, the establishment of extra shifts, layoff policy, lunch periods, the granting of leave of absence and the distribution of overtime." The board not only ordered the company in general terms to bargain collectively with the union but also included in its order a paragraph designed to prohibit bargaining for any management functions clause covering a condition of employment.

On the company's petition for review and the board's cross-petition for enforcement, the Court of Appeals for the fifth circuit agreed with the trial examiner's view that the Taft-Hartley Act does not preclude an employer from bargaining for inclusion of a management functions clause in a labor agreement. The Court of Appeals further found that the evidence does not support the view that the company failed to bargain in good faith because of its bargaining for a management functions clause. As a result, enforcement of the portion of the board's order directed to the management functions clause was denied by the Court of Appeals.

In overruling the NLRB and upholding the Court of Appeals for the fifth circuit, the Supreme Court said: The National Labor Relations Act is designed to promote industrial peace by encouraging the making of voluntary agreements governing relations between unions and employers; it does not compel any agreement whatsoever between employees and employers, nor does it regulate the substantive terms of the contract governing wages, hours and working conditions which are incorporated in an agreement.

The court reviewed the legislative history of the "obligation to bargain collectively." It pointed out that Section 8 (d) of the Taft-Hartley Act "contains the express provision that the obligation to bargain collectively does not compel either party to agree to a proposal or require the making of a concession. Thus it is now apparent from the statute itself that the act does not encourage a party to engage in fruitless marathon discussions at the expense of frank statement and support of his position. And it is equally clear that the board may not, either directly or indirectly, compel concessions or otherwise sit in judgment upon the substantive terms of collective bargaining agreements."

The court struck hard at the NLRB's view that a company's "bargaining for a management functions clause as a counterproposal to the union's demand for unlimited arbitration was 'per se,' a violation of the [Taft-Hartley] Act."

The court pointed out that management prerogative clauses "similar in essential detail" to the clause

proposed by the company "have been included in contracts negotiated by national unions with many employers." It also said that the National War Labor Board "ordered management functions clauses included in a number of agreements." And furthermore that while several such clauses provided for arbitration in case of union dissatisfaction with the exercise of management functions, others "provided that management decisions would be final." The court further said:

"It is manifest that bargaining for management functions clauses is common collective bargaining practice.

"If the board is correct, an employer violates the act by bargaining for a management functions clause touching any condition of employment. . . . Whether a contract should contain a clause fixing standards for such matters is an issue for determination across the bargaining table, not by the board. . . . Accordingly, we reject the board's holding that bargaining for the management functions clause proposed by respondent was, per se, an unfair labor practice. . . . The duty to bargain collectively is to be enforced by application of the good faith bargaining standards of Section 8 (d) to the facts of each case rather than by prohibiting all employers in every industry from bargaining for management functions clauses altogether."

The minority (Justices Minton, Black and Douglas) said:

"I do not see how this case is solved by telling the National Labor Relations Board that since some 'management functions' clauses are valid (which the board freely admits), respondent was not guilty of an unfair labor practice in this case. The record is replete with evidence that respondent insisted on a clause which would classify the control over certain conditions of employment as a management prerogative and that the insistence took the form of a refusal to reach a settlement unless the union accepted the clause.

"The Court of Appeals agreed that respondent was 'steadfast' in this demand. Therefore, this case is one where the employer came into the bargaining room with a demand that certain topics upon which it had a duty to bargain were to be removed from the agenda—that was the price the union had to pay to gain a contract. There is all the difference between the hypothetical 'management functions' clauses envisioned by the majority and this 'management functions' clause as there is between waiver and coercion. No one suggests that an employer is guilty of an unfair labor practice when it proposes that it be given unilateral control over certain working conditions and the union accepts the proposal in return for various other benefits. But where, as here, the employer tells the union that the only way to obtain a contract as to wages is to agree not to bargain about those other working conditions, the employer has refused to bargain about those other working conditions. There is more than a semantic difference between a proposal that the union waive certain rights and a demand that the union give up those rights as a condition precedent to enjoying other rights.

"An employer may not stake out an area which is a proper subject for bargaining and say, 'As to this we will

not bargain.' To do so is a plain refusal to bargain in violation of 8 (a) (5) of the act. If employees' bargaining rights can be cut away so easily, they are indeed illusory. I would reverse."

Western Union Signs Modified Agency Shop

The agency shop, which was put forward by the Wage Stabilization Board as a possible union security compromise in the steel dispute, received another boost with the signing of the recent Western Union contract.

The Western Union Telegraph Company's new agreement with the Commercial Telegraphers Union, AFL, provides that present employees who are union members must stay in the union to keep their jobs (maintenance of membership). All other employees are covered by the contract's agency shop provision: they have the choice of joining or not joining, but if they choose not to join they must pay to the union a sum equal to union dues.

The Western Union clause reads:

"(a) All existing employees who are members of the union will retain such membership as a condition of continued employment except that they shall have a ten-day escape period, to begin upon the expiration of the seven days following the termination of the strike.

"(b) All existing employees who are not members of the union will become members at the end of thirty days from the date hereof and remain members as a condition

of continued employment, unless they signify their intention not to become members within the period of time referred to in (a) above.

"(c) Those employees mentioned in subdivisions (a) and (b) above who have used the escape clause therein, and new or reengaged employees who have not become members of the union within thirty days of hiring or re-employment, shall, as a condition of employment or continued employment, pay or tender to the union the periodic dues uniformly required as a condition of acquiring or retaining membership, or the equivalent thereof, with the understanding that the amounts thus payable by such employees shall not exceed the amount of the dues presently charged by the applicable union local.

"(d) The intent not to join as above provided shall, to be effective, be evidenced by written notification received by the union with a copy to the company, both at the local level.

"(e) The company will on demand of the union discharge any employee who has failed to tender the periodic dues and the initiation fee uniformly required as a condition of retaining membership, or any employee who, not having become or remained a member, has failed to pay the periodic dues referred to above or the equivalent thereof.

"(f) If any provisions of law prevent the effectuation of any part of the union security clause, the parties will give consideration to making revisions herein to effect its general purpose and to conform with the appropriate provisions of applicable law."

JAMES J. BAMBRICK, Jr.

Division of Personnel Administration

Briefs on

PENSIONS AND OTHER BENEFITS

New WSB Policy on Health and Welfare

The Wage Stabilization Board has announced a revision of General Wage Regulation 19 covering establishment or modification of health and welfare plans. WSB finds that these plans "are so varied that detailed requirements in terms of benefits, costs, or a combination of these and other factors unduly limit the parties in their choice of a plan which is best adapted to their particular needs." The board therefore rescinds Resolution 78, which had set up specific review criteria, and substitutes a single test: "The board shall disapprove any plan which it deems to be unstabilizing."

Benefits covered by the revised regulation are temporary disability benefits and paid sick leave, hospital expense, surgical expense, medical expense, group life insurance, and accidental death and dismemberment benefits.

It is still necessary for parties to file a report on plans they want to establish or amend. WSB will acknowledge the reports; and unless parties are notified to the contrary within thirty days after the date of the letter of acknowledgment, they may put the plan into effect as of the effective date provided in the plan. Reports of plans providing benefits which are not listed in the revised regulation, or which on preliminary review appear unstabilizing, are treated as petitions for specific board approval.

Guaranteed Annual Wage Survey

Only 7% of nearly 2,600 collective bargaining agreements studied by the Bureau of Labor Statistics contain any type of guarantee of employment or wages. The few guarantees that do exist are generally quite limited, both as to amounts of work guaranteed and

types of employees covered. The BLS report appears in the May, 1952, issue of *The Monthly Labor Review*.

New and Increased Benefits

The Andersen Corporation of Bayport, Minnesota, has increased the maximum individual life insurance coverage on its employees from \$3,000 to \$4,000. At the end of one year of service, the new employee's \$500 coverage is raised to \$1,300. Another \$300 added each year brings the total to the \$4,000 maximum at the end of ten years of service. The company pays the entire premium.

* * *

American Type Founders, Inc., has received WSB approval of its new hospital, medical and surgical program, effective May 1, 1952. The plan, which covers employees and dependents, provides:

- \$12 a day hospitalization for the first 120 days; \$5 a day for the next 245 days.
- Miscellaneous hospital expenses up to \$150, plus 75% of the next \$1,000.
- Maternity benefits up to \$125.
- Surgical fees up to \$250.
- \$4 per day for doctor's in-hospital calls, up to thirty-one days.
- No-limitations clause. Benefits are not limited to a set number of days per year. If an employee must go back to the hospital in the same year that he was discharged his benefits begin again.

* * *

The United Mine Workers' welfare fund takes a step in the opposite direction by cutting off free dental service to miners and their dependents. Only severely disabled persons qualifying for treatment in special rehabilitation centers will now receive dental aid. Payments for removal of tonsils and adenoids have also been discontinued.

The welfare fund suffered a loss of \$1,500,000 during May, 1952.

* * *

The Ensign-Bickford Company and the CIO Textile Workers have negotiated a considerably liberalized pension plan. Employees now get a minimum pension of \$125 per month, including Social Security, at age sixty-five after twenty-five years of service. The past-service formula is now 1% of the first \$3,600 of average earnings during 1946-1951 plus 1 5/6% of the excess, times years of service before 1951. It was formerly 1% of 1944 earnings times years of service minus the first three years and those before age twenty-five. The future-service pension, formerly 1% of earnings times years of service after 1944 to age sixty-five, is now 1% of the first \$3,600 plus 2 1/4% of the excess, times years of service after 1951 to age six-

ty-five. The three-year waiting period for eligibility has been lowered to one year. All years of service are now included in computing the pension instead of just those after age twenty-five. Employees now have their choice of several joint-and-survivor options. Employees with twenty years of service could formerly get a pension at age sixty-five if they left the company at age forty-five. This has been raised to age fifty.

* * *

Protection against high cost for treatment of certain long and serious illnesses is being made available to employees of the New Orleans Public Service Company who are covered by Blue Cross. The new coverage provides \$5,000 worth of treatment for polio, rabies, leukemia, diphtheria, scarlet fever, smallpox, spinal meningitis, tetanus, encephalitis and tularemia, during a two-year period following diagnosis.

Regular Blue Cross benefits also apply to these diseases, but will not be used until the catastrophe benefits are exhausted.

Blue Cross Coverage for Retired Employees

The E. I. du Pont de Nemours Company has secured WSB permission to pay Blue Cross hospital-surgical premiums for all its Deepwater Plant pensioners, including those retired after January 25, 1951. The company had previously been given permission to pay premiums for employees retired before that date.¹

SSB Follows Suit

The Salary Stabilization Board has revised its General Salary Stabilization Regulation No. 8 to conform with the new WSB policy. The revised regulation provides that health and welfare plans covering only employees under SSB jurisdiction may be put into effect without prior approval under these conditions:

- (1) The plan must cover at least a majority of the employees subject to SSB jurisdiction.
- (2) It must not discriminate in favor of highly paid employees or those who are officers, shareholders, or supervisors.
- (3) Benefits must be consistent with prevailing practice.
- (4) The plan must not allow any payment, distribution, or loan value with respect to life insurance benefits contributed by the employer prior to the employee's death or total and permanent disability or his retirement or termination of employment.

The revised regulation eliminates the proviso that employees must pay 50% of the premiums on dependents' benefits. It permits hospital, surgical, and in-hospital expense benefits to be extended to de-

¹ See *Management Record*, June, 1952, page 223.

pendents without the employee's having to pay any portion of the premium.

The regulation now requires that the group covered by a group life insurance policy must comprise at least twenty-five employees. This is in line with prevailing insurance company practice.

Plans covering both salary and wage employees may be put into effect if they meet the requirements of GWR 19 or have been approved by WSB.

Insurance Agents Win Pay Guarantee

A gross minimum pay guarantee of \$60 per week, computed on a quarterly basis, is an important feature of a contract just signed between the Metropolitan Life Insurance Company and Missouri locals of the AFL Insurance Agents Union.

LOIS E. FORDE

Division of Personnel Administration

Labor Press Highlights

JURISDICTIONAL RIVALRY STIRS UNIONS

ALL WAS NOT peaceful among labor unions last month. Discord was reported in the form of local unions switching AFL and CIO affiliations and continued jurisdictional squabbles. One harmonious note that stood out was a no-raiding agreement between the CIO Automobile Workers and the AFL International Association of Machinists. This was a renewal of a "live and let live" pact first signed in 1949, according to *The Machinist*. To help enforce the pact, liaison officers from each union will work with standing committees to settle jurisdictional problems. It was one of these meetings with the UAW, according to Machinist President A. J. Hayes, that gave rise to reports that the Machinists were considering reaffiliating with the CIO.

But while the Machinists had set up a means of settling one jurisdictional problem with the CIO, they were still seeking a comparable solution to jurisdictional problems with the Building and Construction Trades Department of the AFL. Latest proposal by the Machinists' union calls for a system of binding arbitration, backed up by a \$100,000 good faith bond to settle these disputes. According to *The Machinist*, disputes with the Carpenters union or other members of the AFL building trades department will first go to a standing six-man committee—three men from the IAM and three from the AFL Carpenters. If the dispute is not settled there, the presidents of the two unions involved will meet with the committee. If there is still no settlement, a three-man panel, including an impartial referee, will attempt mediation. If mediation fails, a permanent referee will arbitrate the dispute. If either party fails to abide by the arbitrator's decision, it will forfeit the \$100,000 to the other party. (The AFL building trades department has its own setup for solving jurisdictional disputes, but the IAM is not part of the building trades department.)

The AFL Carpenters union, against whom most

Machinist disputes are lodged, was also engaged in a tiff with the CIO International Woodworkers union. A 700-man local of the AFL Carpenters had voted to join the CIO Woodworkers, according to a report in the *International Woodworker*. However, the *Woodworker* reports, the AFL was moving to set up a receivership for the seceding union to prevent its move to the CIO. The AFL local voted to switch to the CIO, according to the *Woodworker*, because members "were disgusted with dictatorial methods of the Carpenters . . . were tired of paying per capita tax to a union that for years followed along on the coat tails of the International Woodworkers of America."

Brewers Become Teamsters

While the CIO was chartering an AFL local, the AFL Teamsters had just chartered a local of the CIO Brewery Workers. Involved in the switch, reports *The St. Louis Labor Tribune* (AFL), are 5,000 employees at the St. Louis Anheuser-Busch plant. The St. Louis local of the CIO Brewery Workers switched to the AFL Teamsters, explains the report, as a result of an organizing battle between the two unions at the Anheuser-Busch Plant in Newark, New Jersey. To aid its drive in Newark, the CIO union had sent pickets from Newark to the St. Louis plant of the company. The St. Louis local, says the report, refused to go along with a scheme "that would have shut down the St. Louis brewery and made idle more than 5,000 local brewery workers. . . . They saw no reason for being made the club in a jurisdictional quarrel going on almost 1,000 miles away." Teamster Vice-President Dave Beck personally presented the AFL Teamster charter to the seceding CIO Brewers' local.

The biggest CIO-AFL battle, however, continues to be between the CIO Textile Workers Union of America and the AFL United Textile Workers of America. *The Textile Challenger* (AFL) last month reported a

full-scale drive being led by George Baldanzi, formerly of the CIO, to bring 100,000 dissident CIO Textile Workers into the AFL. AFL Textile Worker President Anthony Valente estimated that 65,000 members of the CIO had already voted to switch to the AFL. According to *The CIO News*, however, Baldanzi's efforts to lead New Jersey textile workers into the AFL had failed: "20,230 members who belonged to locals supporting Baldanzi at the Cleveland convention have repudiated him now that he has tried to lead a secession movement to the AFL."

Textile Labor, voice of the CIO union, claims that the entire secession move had virtually collapsed: "Former lieutenants of George Baldanzi, including half his running mates at the Cleveland convention, have deserted the dual union movement and have made their peace with the TWUA." In the North, *Textile Labor* concedes only the Thompsonville, Connecticut local to the AFL. "In the South, a dozen locals in North Carolina, and the Danville, Virginia units are the only places where the union splitters still have influence."

Sees Warning in Steel Crisis

Viewing the steel crisis and its possible effects, Sal B. Hoffman, president of the AFL Upholsterers' International Union, concludes: "It is now time that we acted like a grown-up movement—[or] we shall get a hostile and reactionary set of laws." Mr. Hoffman declares that unions in the past have ignored storm signals and have lost ground as a result. Insistence in 1947 upon the unamended Wagner Act allowed "foes of labor" to write the Taft-Hartley Act. In 1949, union demands for unconditional repeal of the Taft-Hartley Act and reenactment of the Wagner Act "... enabled Senator Taft to triumph in Ohio in 1950."

Today, says Mr. Hoffman in *The Upholsterers' International Union Journal*, "we in labor have got to recognize that a fundamental difference exists between . . . collective bargaining in . . . industries that vitally affect the welfare of the nation and those (like furniture, television or even autos) that do not. There is no industry-wide bargaining in the furniture industry today, but if there were, a total shutdown would be an inconvenience but no menace to the nation."

As a consequence of the steel strike, says Mr. Hoffman, "new legislation to cover emergency industrial situations is certain to be up for congressional action. Let us not repeat our mistakes of opposing all legislation or even recognition of the public need. . . . If fair legislation is drawn up to permit executive action to prevent a crippling strike, provided that an emergency situation exists . . . we should weigh its merits carefully and objectively."

AFL Moves To Clean Out Racketeers

Charges that a few small AFL unions were issuing charters to new locals headed by gangsters and racketeers are being investigated by a three-man board of the AFL executive council, reports *Justice* (ILGWU-AFL). The three-man

board, composed of AFL Secretary-Treasurer George Meany, William L. McPetridge, president of the Building Service Employees, and David Dubinsky, Garment Workers Union president, will work with the parent unions concerned to wipe out the "racketeer-infested locals." If the parent unions refuse to cooperate, the AFL could expel them from the federation, according to *Justice*.

Wins Unemployment Pay During Vacation Shutdown

Employees not entitled to vacation pay during a two-week plant vacation shutdown were awarded unemployment compensation as a result of a UAW-AFL appeal to the Ohio Bureau of Unemployment Compensation, reports the *AFL Auto Worker*. According to the UAW-AFL, this is the first time workers were awarded pay under these circumstances. The union viewed the decision as an important precedent. The bureau had first denied employees' claims for unemployment compensation on grounds that these employees were on vacation and not available for other employment. On the UAW's appeal to the bureau referee, the decision was reversed.

Steelworkers Net Worth Tops \$10 Million

Net worth of the United Steelworkers of America, CIO, for the six months ending December 31, 1951, was \$10,104,459, an increase of \$698,487 over the previous period, reports *Steel Labor*. Total Steelworker union income for the period amounted to \$6,288,817.95—all but \$50,000 of this coming from dues and initiation fees. *Steel Labor* states that at present the union has 1,068,000 members in 2,200 chartered locals. The membership figures, explains the union, include members who do not pay dues for reasons authorized by the constitution.

Shoe Workers Start Drive in Pennsylvania

Shoe workers in Pennsylvania are the target of a new major CIO organizing drive, reports *The CIO News*. Allan S. Haywood, CIO executive vice-president, has announced the formation of the Pennsylvania organizing committee of the United Shoe Workers of America. The committee aims at unionizing 25,000 workers in eastern and northeastern Pennsylvania shoe centers.

AFL Butcher Union Shows Varied Membership

Figures released by the AFL Amalgamated Meat Cutters and Butcher Workmen's union show a membership "in excess of 225,000." A breakdown of the union's members, published in *The Butcher Workman*, gives 53.2% of the members as packing house workers and 40.1% as meat cutters. Minor segments of the union's membership are in canneries (2.9%), poultry workers (2.5%), leather workers (1%), and .3% of the members are sheep shearers, fish handlers and workers in refineries.

HAROLD STIEGLITZ

Division of Personnel Administration

Review of Labor Statistics

THE BOARD'S consumers' price index reached a new high of 180.5 (January, 1939=100) in May. Rising prices of food, housing and sundries pushed the index up 0.3% over the month to a level 3% above a year ago and 0.1% above January, 1952, the previous all-time peak. The all-items index for May was fourteen points higher than the pre-Korea peak of 166.5, which occurred in August-September, 1948.

With the exception of three interruptions (February, 1950, March, 1951, and February, 1952), prices have been moving up steadily since January, 1950. In November, 1950, the index passed its 1948 peak and continued on to new highs. By January of this year, it had reached 180.3, its highest point until May. In the following month, a 1.4% decline in retail prices caused the all-items index to drop more than two and a half points. Steady increases since then brought the index to a new all-time peak in May.

An 0.9% rise in food, the most heavily weighted portion of the consumer's budget, was the chief cause of the latest increase. Higher prices for such staples as bread, potatoes and sugar played an important role in pushing the food index up. Seasonal increases in carrots, cabbage, lettuce and apples, and higher pork and lamb prices also contributed to the rise.

Many housewives used fish or chicken to replace more costly meats in their May menus. The output of broilers, four times larger than a decade ago, brought prices in some cities below their 1939 level. The spiral in onion prices finally broke as Texas marketed big crops of the early-spring variety. Prices of butter, margarine and shortenings moved still lower. Canned fruit and vegetable prices reflected the cuts which packers have made in wholesale prices in order to clear their shelves for the new crop.

Apparel and housefurnishings dipped again from mid-April to mid-May. The clothing and housefurnishings indexes are 2.2% and 3.6%, respectively, below their year-ago levels. Prices of women's woolen sweaters were cut as the summer season approached, and women's street shoes were also cheaper. In the men's wear departments, shoppers found cotton broadcloth shirts, handkerchiefs and work gloves considerably lower. Prices of men's work shoes, however, advanced during the month. Among the items priced for the housefurnishings index, cotton sheets, wool carpets and refrigerators scored notable declines.

Over the month, housing costs rose 0.2%. Residen-

tial rents, which are used to represent housing costs in the index, have risen 4.2% since last year. Fuel costs dropped 1.8% between April and May, while higher prices for tobacco, drugs and toilet articles helped boost the sundries index 0.1% in spite of the lower prices reported for cleaning materials.

In May, the consumer's dollar commanded 55.4 cents worth of goods in terms of a January, 1939, dollar valued at 100 cents. This represents a drop of 0.4% in purchasing power during the month and 2.8% since last year.

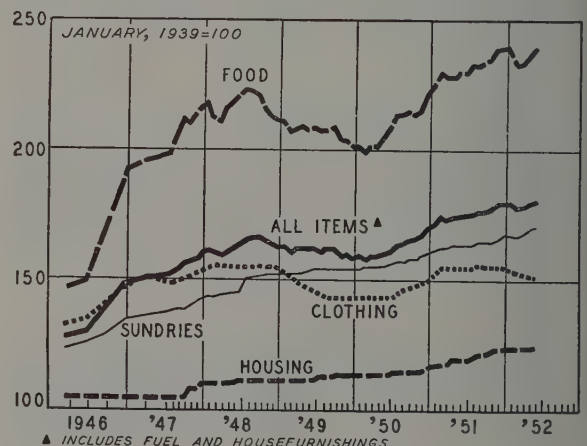
EMPLOYMENT AND WORK WEEK

Some difference exists between the Bureau of the Census and the Bureau of Labor Statistics estimates of employment in May. Employment for May reached 61.2 million, an increase of almost 2% since April, according to the Bureau of the Census. This rise is attributed to a sharp seasonal expansion in agricultural employment and a slight increase in nonfarm activity. Unemployment was lower, despite some movement of students into the job-seeking group.

The Bureau of Labor Statistics reported practically no change in nonagricultural employment for May. Strikes in construction and lumbering were responsible for blocking the usual spring expansion in these industries. In addition, BLS reports no rise in employment in defense-related industries.

A greater-than-seasonal reduction took place in the

Chart 1: Consumers' Price Index



number of workers in all manufacturing, due mainly to work stoppages in oil refineries and lumbering camps. Declines in the textile and apparel industries also continued. Employment in contract construction increased by only 82,000 workers in May. This was the smallest April-to-May increase during the postwar years, reflecting many labor-management disputes. Government employment rose to 6.6 million as state and local governments expanded highway construction and other outdoor activities. The number of workers in retail and wholesale trade declined seasonally after Easter but remained higher than last May.

Reduced working hours in many consumer goods' plants in mid-May more than offset the lengthened working hours in defense-related industries. The average work week for 12.5 million production workers in manufacturing was back to the pre-Korea level of two years earlier. A year ago in May, the work week was 40.7 hours, or approximately an hour longer than the year before. This May, the average work week was 40.0 hours.

The particular industries reporting a slackening off in the work week from a year ago were rubber, paper, tobacco, textiles and electrical machinery. A lengthening work week for the past few months was reported by the apparel and leather industries.

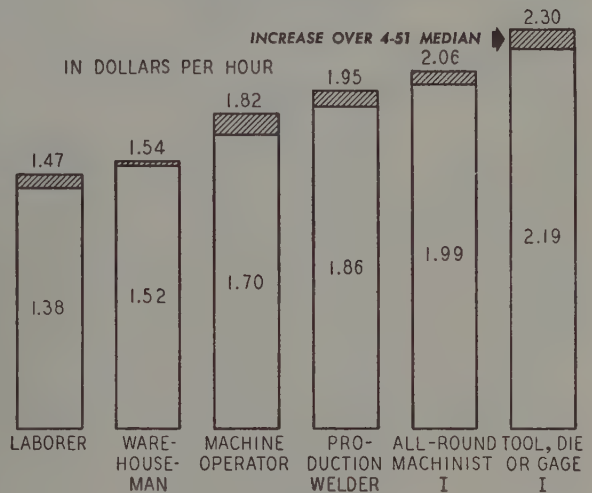
REGIONAL WAGE RATES

Wages for identical jobs continue to vary widely in different industrial areas, according to THE CONFERENCE BOARD's annual survey of occupational wage rates for key plant jobs. Median rates of reporting companies were lowest in Birmingham for the major-

ity of key jobs surveyed and were highest in most instances in Detroit and Houston.

The median hourly rate for a laborer in Birmingham amounted to \$1.14; in Detroit it was \$1.68. The middle rate for all-around machinists, Class I, in Birmingham was \$1.83 an hour, while in Houston it was \$2.36 an hour. Some other cities reporting high wage rates for the jobs surveyed were Chicago, San Francisco, Toledo and Cleveland. Cities reporting low rates besides Birmingham were Boston, Pittsburgh and Baltimore. This general regional pattern was also
(Continued on page 292)

Chart 2: Median Wage Rates—Eighteen Cities
April 1951-April 1952



Source: THE CONFERENCE BOARD

Consumers' Price Index for Ten United States Cities, and Purchasing Value of Dollar

Index Numbers, January, 1939 = 100

Date	Weighted Average of All Items	Food	Housing ¹	Clothing			Fuel ²			House-furnishings	Sundries	Purchasing Value of the Dollar
				Total	Men's	Women's	Total	Electricity	Gas			
1951 May.....	173.6	227.3	115.9	152.3	167.7	139.4	130.2	89.9	103.7	171.7	166.0	57.6
June.....	173.5	227.3a	116.0	152.1	168.3	138.5	130.8	89.8	103.7	172.2	165.7	57.6
July.....	174.5	229.3b	117.4	152.0	168.2	138.3	131.1	89.8	103.7	172.4	165.8	57.3
August.....	174.8	229.4	117.8	152.0	169.0	137.6	131.6	89.8	103.7	171.3	166.6	57.2
September.....	175.5	230.6c	118.4	153.5	170.2	139.4	132.1	89.8	103.7	170.2	166.4	57.0
October.....	176.0	232.1	118.8	153.6	170.8	139.2	132.5	89.8	103.7	169.2	166.3	56.8
November.....	178.2	236.8d	119.9	152.7	169.3	138.7	132.7	89.8	103.7	169.7	167.9	56.1
December.....	178.8	236.7e	120.3	152.1	168.9	138.0	133.0	89.8	103.7	169.9	170.3	55.9
Annual average.....	174.5	229.3	116.9	152.2	168.3	138.7	131.7	89.8	103.7	170.8	166.3	57.3
1952 January.....	179.0	237.5	120.9r	151.2	167.3	137.5	133.1	90.0	103.7	168.6	170.1	55.9
February.....	176.3	230.7f	121.1r	150.1	166.3	136.5	133.0	90.0	103.7	168.3	169.0	56.7
March.....	176.7	231.0g	121.2r	149.8	166.0r	136.1	133.2	90.0	104.3	167.0	170.1	56.6
April.....	178.4r	234.3r	121.5r	149.7	165.8r	136.1	133.3r	90.0	104.9r	166.9	172.1	56.1
May.....	178.9	236.5h	121.6	149.3	165.2	135.9	130.6	90.0	104.8	165.7	172.1	55.9
Percentage Changes												
April 1952 to May 1952.....	+0.3	+0.9	+0.1	-0.3	-0.4	-0.1	-2.0	0	-0.1	-0.7	0	-0.4
May 1951 to May 1952.....	+3.1	+4.0	+4.9	-2.0	-1.5	-2.5	+0.3	+0.1	+1.1	-3.5	+3.7	-3.0

¹ Rents surveyed quarterly in individual cities

² Includes electricity and gas

^a Based on food prices for June 14, 1951

^b Based on food prices for July 16, 1951

^c Based on food prices for Sept. 17, 1951

^d Based on food prices for Nov. 14, 1951

^e Based on food prices for Dec. 12, 1951

^f Based on food prices for Feb. 18, 1952

^g Based on food prices for March 12, 1952

^h Based on food prices for May 14, 1952

^r Revised

Consumers' Price Indexes for Cities Surveyed Quarterly

NOTE: These indexes do NOT show intercity differences in price level or standards of living. They show only changes in consumers' prices in each city, which changes may be compared with those for other cities.

	Index Numbers Jan., 1939=100			Percentage Changes			Index Numbers Jan., 1939=100			Percentage Changes	
	May 1952	Feb. 1952	May 1951	Feb. 1952 to May 1952	May 1951 to May 1952		May 1952	Feb. 1952	May 1951	Feb. 1952 to May 1952	May 1951 to May 1952
Akron						Pittsburgh					
Food.....	249.2	240.3	239.9	+3.7	+3.9	Food.....	241.3	235.4	229.4	+2.5	+5.2
Housing.....	132.2	132.2	126.5	0	+4.5	Housing.....	140.4	140.1 _r	122.8	+0.2	+14.3
Clothing.....	151.6	153.9	159.4	-1.5	-4.9	Clothing.....	149.9	151.0	154.6	-0.7	-3.0
Fuel ¹	156.0	159.0	157.4	-1.9	-0.9	Fuel ¹	145.8	145.0	146.1	+0.6	-0.2
Housefurnishings.....	148.5	148.3	151.6	+0.1	-2.0	Housefurnishings.....	147.8	151.8 _r	158.9	-2.6	-7.0
Sundries.....	168.9	159.9	155.7	+5.6	+8.5	Sundries.....	176.9	175.7	165.2 _r	+0.7	+7.1
Weighted total.....	182.4	177.6	175.9	+2.7	+3.7	Weighted total.....	184.7	182.7	175.4 _r	+1.1	+5.3
Chattanooga						Richmond					
Food.....	239.1	235.8	233.5	+1.4	+2.4	Food.....	263.4	259.5 _r	253.7	+1.5	+1.8
Housing.....	143.2	143.0	141.1	+0.1	+1.5	Housing.....	128.7	128.2 _r	126.9	+0.4	+1.4
Clothing.....	136.0	138.6	140.1	-1.9	-2.9	Clothing.....	154.5	156.4	164.6	-1.2	-6.1
Fuel ¹	131.0	133.6	130.6	-1.9	+0.3	Fuel ¹	134.4	138.2	132.9	-2.7	+1.1
Housefurnishings.....	124.2	124.0 _r	130.1	+0.2	-4.5	Housefurnishings.....	169.8	174.6	177.6	-2.7	-4.4
Sundries.....	153.0	151.0 _r	149.5	+1.3	+2.3	Sundries.....	149.9	144.5	142.2	+3.7	+5.4
Weighted total.....	172.9	171.5	170.4	+0.8	+1.5	Weighted total.....	179.4	177.3	176.8	+1.2	+1.5
Cincinnati						Rochester					
Food.....	242.0	233.6	231.0	+3.6	+4.8	Food.....	248.6	242.1	240.2	+2.7	+3.5
Housing.....	131.3	130.9	128.4	+0.3	+2.3	Housing.....	130.0	130.2	128.9 _r	-0.2	+0.9
Clothing.....	161.0	162.1 _r	164.7	-0.7	-2.2	Clothing.....	152.7	154.6 _r	154.5	-1.2	-1.2
Fuel ¹	149.0	151.0	147.5	-1.3	+1.0	Fuel ¹	177.1	177.9	175.1	-0.4	+1.1
Housefurnishings.....	159.5	162.8 _r	168.7	-2.0	-5.5	Housefurnishings.....	190.4	191.7 _r	199.4	-0.7	-4.5
Sundries.....	168.5	165.7	164.1	+1.7	+2.7	Sundries.....	176.5	174.9	170.3	+0.9	+3.6
Weighted total.....	183.6	180.5	179.2	+1.7	+2.5	Weighted total.....	185.8	183.8 _r	181.9 _r	+1.1	+2.1
Dallas						St. Louis					
Food.....	241.0	236.9	236.9	+1.7	+1.7	Food.....	241.6	234.5 _r	229.6	+3.0	+5.2
Housing.....	173.2	172.7 _r	171.4	+0.3	+1.1	Housing.....	129.4	129.4	119.4	0	+8.4
Clothing.....	153.7	154.5	154.9	-0.5	-0.8	Clothing.....	145.4	145.7	148.9	-0.2	-2.4
Fuel ¹	93.0	93.0	93.0	0	0	Fuel ¹	152.2	151.8	147.2	+0.3	+3.4
Housefurnishings.....	155.1	157.9 _r	160.2	-1.8	-3.2	Housefurnishings.....	157.4	163.1 _r	168.8	-3.5	-6.8
Sundries.....	169.5	166.9	162.5	+1.6	+4.3	Sundries.....	167.8	162.0	161.8 _r	+3.6	+3.7
Weighted total.....	182.1	180.4 _r	178.9	+0.9	+1.8	Weighted total.....	182.1	178.4 _r	175.4 _r	+2.1	+3.8
Duluth						San Francisco—Oakland					
Food.....	242.2	238.0	236.1	+1.8	+2.6	Food.....	253.1	248.5	240.5	+1.9	+5.2
Housing.....	131.7	131.7	131.7	0	0	Housing.....	117.0	116.2	116.2	+0.7	+0.7
Clothing.....	160.4	162.3 _r	164.0	-1.2	-2.2	Clothing.....	158.9	161.0	161.7	-1.3	-1.7
Fuel ¹	152.8	153.2	150.5	-0.3	+1.5	Fuel ¹	104.2	104.2 _r	101.0	0	+3.2
Housefurnishings.....	182.2	185.0	193.5	-1.5	-5.8	Housefurnishings.....	167.5	168.6 _r	170.4	-0.7	-1.7
Sundries.....	164.2	162.4	160.2	+1.1	+2.5	Sundries.....	171.4	165.3	165.8	+3.7	+3.4
Weighted total.....	184.1	182.6	181.7	+0.8	+1.3	Weighted total.....	184.3	181.0 _r	178.6	+1.8	+3.2
Fall River						Wilmington					
Food.....	230.0	219.2	218.8	+4.9	+5.1	Food.....	214.9	207.9	206.5	+3.4	+4.1
Housing.....	132.8	129.8	115.1	+2.3	+15.4	Housing.....	134.1	130.4	125.8	+2.8	+6.6
Clothing.....	168.5	168.6	172.5	-0.1	-2.3	Clothing.....	151.5	153.7	161.3	-1.4	-6.1
Fuel ¹	151.6	153.3	151.8	-1.1	-0.1	Fuel ¹	127.5	130.9	136.4	-2.6	-6.5
Housefurnishings.....	144.0	144.9 _r	150.4	-0.6	-4.3	Housefurnishings.....	179.2	181.7	188.3	-1.4	-4.8
Sundries.....	166.4	165.4	159.4	+0.6	+4.4	Sundries.....	162.9	154.0	151.0 _r	+5.8	+7.9
Weighted total.....	180.3	176.1	172.2	+2.4	+4.7	Weighted total.....	173.7	169.0	168.7 _r	+2.8	+3.0
New Haven											
Food.....	222.8	220.5 _r	218.1	+1.0	+2.2						
Housing.....	134.0	127.3 _r	108.7	+5.3	+23.3						
Clothing.....	166.1	168.2 _r	167.5	-1.2	-0.8						
Fuel ¹	151.0	154.3	152.6	-2.1	-1.0						
Housefurnishings.....	164.4	166.4 _r	168.7	-1.2	-2.5						
Sundries.....	141.1	139.3	138.9	+1.3	+1.6						
Weighted total.....	170.3	168.4 _r	163.9	+1.1	+3.9						

Source: THE CONFERENCE BOARD

¹ Includes Electricity and Gas.

_r Revised.

Consumers' Price Indexes for Cities Surveyed Monthly

CITY	Index Numbers Jan., 1939=100			Percentage Changes		CITY	Index Numbers Jan., 1939=100			Percentage Changes	
	May 1952	Apr. 1952	May 1951	Apr. 1952 to May 1952	May 1951 to May 1952		May 1952	Apr. 1952	May 1951	Apr. 1952 to May 1952	May 1951 to May 1952
Birmingham						Indianapolis					
Food.....	233.2	231.8	228.7	+0.6	+2.0	Food.....	248.0	244.1	242.2	+1.6	+2.4
Housing ¹	160.7	160.7 ^r	149.6	0	+7.4	Housing ²	123.1	123.1	121.0	0	+1.7
Clothing.....	152.3	152.7	156.7	-0.3	-2.8	Clothing.....	144.5	145.2	149.3	-0.5	-3.2
Fuel ⁴	128.4	131.9	128.0	-2.7	+0.3	Fuel ⁴	154.6	156.9	153.9	-1.5	+0.5
Housefurnishings.....	172.9	172.2	175.5	+0.4	-1.5	Housefurnishings.....	156.2	158.6	167.6	-1.5	-6.8
Sundries.....	154.0	154.0	146.0	0	+5.5	Sundries.....	178.6	175.2	170.4 ^r	+1.9	+4.8
Weighted total.....	177.4	177.2 ^r	172.3	+0.1	+3.0	Weighted total.....	182.7	180.9	179.5 ^r	+1.0	+1.8
Boston						Los Angeles					
Food.....	230.3	222.9	216.6	+3.3	+6.3	Food.....	237.2	238.2 ^r	225.9	-0.4	+5.0
Housing ²	128.9	125.8 ^r	116.1	+2.5	+11.0	Housing ²	141.4	141.4	133.5	0	+5.9
Clothing.....	137.2	138.0	146.7	-0.6	-6.5	Clothing.....	142.7	143.0	147.2	-0.2	-3.1
Fuel ⁴	166.8	170.5	164.8	-2.2	+1.2	Fuel ⁴	101.1	101.1 ^r	97.7	0	+3.5
Housefurnishings.....	159.5	159.3	166.9 ^r	+0.1	-4.4	Housefurnishings.....	163.1	163.5	174.2	-0.2	-6.4
Sundries.....	166.0	166.0	163.4	0	+1.6	Sundries.....	171.7	171.7	161.2	0	+6.5
Weighted total.....	178.6	175.8 ^r	171.5 ^r	+1.6	+4.1	Weighted total.....	179.3	179.6 ^r	172.0	-0.2	+4.2
Chicago						New Orleans					
Food.....	251.0	247.3 ^r	243.8	+1.5	+3.0	Food.....	246.4	244.2	235.7	+0.9	+4.5
Housing ¹	133.9	133.9	124.3	0	+7.7	Housing ²	130.8	130.8	121.6	0	+7.6
Clothing.....	147.6	148.6	152.2	-0.7	-3.0	Clothing.....	158.1	156.7	158.4	+0.9	-0.2
Fuel ⁴	117.4	117.3	116.7	+0.1	+0.6	Fuel ⁴	92.6	92.5	91.3	+0.1	+1.4
Housefurnishings.....	160.1	161.4	162.7	-0.8	-1.6	Housefurnishings.....	167.7	175.6	186.9	-4.5	-10.3
Sundries.....	174.8	175.0	168.9	-0.1	+3.5	Sundries.....	148.6	148.7	146.1	-0.1	+1.7
Weighted total.....	184.5	183.5	179.0	+0.5	+3.1	Weighted total.....	181.4	180.8	176.1	+0.3	+3.0
Denver						New York					
Food.....	238.7	235.6 ^r	230.8	+1.3	+3.4	Food.....	227.6	226.8 ^r	219.3 ^r	+0.4	+3.8
Housing ²	128.2	128.2	128.8	0	-0.5	Housing ²	106.1	106.1	105.5	0	+0.6
Clothing.....	163.8	164.6	167.4	-0.5	-2.2	Clothing.....	153.8	153.6	154.3 ^r	+0.1	-0.3
Fuel ⁴	103.6	103.6	108.2	0	-4.3	Fuel ⁴	130.4	134.1	130.6	-2.8	-0.2
Housefurnishings.....	164.6	165.1	167.0	-0.3	-1.4	Housefurnishings.....	164.8	165.4	171.9 ^r	-0.4	-4.1
Sundries.....	159.2	159.3	154.0	-0.1	+3.4	Sundries.....	174.1	174.1	167.1	0	+4.2
Weighted total.....	175.5	174.6 ^r	172.3	+0.5	+1.9	Weighted total.....	174.3	174.2	169.8 ^r	+0.1	+2.7
Detroit						Philadelphia					
Food.....	252.7	247.0	238.9	+2.3	+5.8	Food.....	225.0	223.1 ^r	216.0	+0.9	+4.2
Housing ²	130.6	130.5	119.0	+0.1	+9.7	Housing ²	117.7	117.7	111.0	0	+6.0
Clothing.....	148.6	150.0	152.5	-0.9	-2.6	Clothing.....	143.1	143.9 ^r	147.7	-0.6	-3.1
Fuel ⁴	159.4	159.8	157.0	-0.3	+1.5	Fuel ⁴	150.1	158.7	152.0	-5.4	-1.3
Housefurnishings.....	169.3	169.1 ^r	173.3	+0.1	-2.3	Housefurnishings.....	180.4	184.3	181.8 ^r	-2.1	-0.3
Sundries.....	179.1	179.2	173.9	-0.1	+3.0	Sundries.....	166.1	166.3	163.9 ^r	-0.1	+1.3
Weighted total.....	186.3	184.8	178.8	+0.8	+4.2	Weighted total.....	176.4	176.6	172.2 ^r	-0.1	+2.4

Source: THE CONFERENCE BOARD

¹ Rents surveyed January, April, July, October.

² Rents surveyed February, May, August, November.

³ Rents surveyed March, June, September, December.

⁴ Includes electricity and gas.

^r Revised.

Consumers' Price Index for Fifty-four Cities, and Purchasing Value of the Dollar

Index Numbers, January, 1939=100

Date	Weighted Average of All Items	Food	Housing ¹	Clothing			Fuel ²			House- furnish- ings	Sundries	Purchasing Value of the Dollar
				Total	Men's	Women's	Total	Electricity	Gas			
1951 May.....	175.3	230.9	120.0	155.0	172.1	140.6	132.8	91.0	101.3	172.7	164.0	57.0
June.....	175.4	231.1 ^a	119.9	154.9	172.3	139.3	133.5	90.8	101.4	173.2	164.0	57.0
July.....	176.4	232.9 ^b	121.3	154.8	172.7	139.7	133.8	90.8	101.5	173.4	164.3	56.7
August.....	176.6	232.7	122.0	155.1	173.5	139.5	134.2	90.9	101.4	172.2	165.1	56.6
September.....	177.1	233.5 ^c	122.3	156.6	174.9	141.0	134.8	90.9	101.7	170.9	165.1	56.5
October.....	177.6	235.0	122.7	156.3	175.0	140.6	135.1	90.9	101.7	169.8	164.9	56.3
November.....	179.7	239.8 ^d	123.3	155.1	173.2	139.3	135.5	90.8	102.0	170.4	166.5	55.6
December.....	180.2	239.5 ^e	124.0	154.6	172.7	139.2	135.8	91.0	102.0	170.6	168.5	55.5
Annual average.....	176.2	232.5	120.8	155.0	172.6	140.1	134.4	90.9	101.4	171.7	164.5	56.8
1952 January.....	180.3	240.3	124.5 ^r	153.7	171.2	138.8	135.9	91.2	102.1	169.1	168.1	55.5
February.....	177.7	233.9 ^f	124.5 ^r	152.7	170.2	137.9	135.8	91.1	102.1	168.7	166.9	56.3
March.....	178.2 ^r	234.4 ^g	124.5 ^r	152.3	169.9	137.4 ^r	135.9	91.1	102.7 ^r	167.5 ^r	168.1	56.1
April.....	179.9	237.8	124.8 ^r	152.1	169.6 ^r	137.3	135.9 ^r	91.1	103.1 ^r	167.6	170.3	55.6
May.....	180.5	240.0 ^h	125.0	151.6	169.0	137.0	133.4	91.2	102.9	166.4	170.5	55.4

Percentage Changes

Apr. 1952 to May 1952....	+0.3	+0.9	+0.2	-0.3	-0.4	-0.2	-1.8	+0.1	-0.2	-0.7	+0.1	-0.4
May 1951 to May 1952....	+3.0	+3.9	+4.2	-2.2	-1.3	-2.6	+0.5	+0.2	+1.6	-3.6	+4.0	-2.8

¹ Rents surveyed quarterly for individual cities.

² Includes electricity and gas.

^a Based on food prices for June 14, 1951

^b Based on food prices for July 16, 1951.

^c Based on food prices for Sept. 17, 1951.

^d Based on food prices for Nov. 14, 1951.

^e Based on food prices for Dec. 12, 1951.

^f Based on food prices for Feb. 13, 1952.

^g Based on food prices for Mar. 12, 1952.

^h Based on food prices for May 14, 1952.

^r Revised.

Significant Labor Statistics

Item	Unit	1952					1951			Year Ago	Percentage Change		
		May	Apr.	Mar.	Feb.	Jan.	Dec.	Nov.	Latest Month over Previous Month		Latest Month over Year Ago		
Consumers' Price Index ¹													
All items.....	Jan. 1939=100	180.5	179.9	178.2	177.7	180.3	180.2	179.7	175.3		+0.3	+3.0	
Food.....	Jan. 1939=100	i 240.0	237.8	234.4	f 233.9	240.3	d 239.5	c 239.8	230.9		+0.9	+3.9	
Housing.....	Jan. 1939=100	125.0	r 124.8	124.5	r 124.5	r 124.5	124.0	123.8	120.0		+0.2	+4.2	
Clothing.....	Jan. 1939=100	151.6	152.1	152.3	152.7	153.7	154.6	155.1	155.0		-0.3	-2.2	
Men's.....	Jan. 1939=100	169.0	r 169.6	169.9	170.2	171.2	172.7	173.2	172.1		-0.4	-1.8	
Women's.....	Jan. 1939=100	137.0	r 137.3	137.4	137.9	138.8	139.2	139.8	140.6		-0.2	-2.6	
Fuels.....	Jan. 1939=100	133.4	r 135.9	135.9	135.8	135.9	135.8	135.5	132.8		-1.8	+0.5	
Electricity.....	Jan. 1939=100	91.2	91.1	91.1	91.1	91.2	91.0	90.8	91.0		+0.1	+0.2	
Gas.....	Jan. 1939=100	102.9	r 103.1	102.7	102.1	102.1	102.0	102.0	101.3		-0.2	+1.6	
Housefurnishings.....	Jan. 1939=100	166.4	167.6	r 167.5	168.7	169.1	170.6	170.4	172.7		-0.7	-3.6	
Sundries.....	Jan. 1939=100	170.5	170.3	168.1	166.9	168.1	168.5	166.5	164.0		+0.1	+4.0	
Purchasing value of the dollar.....	Jan. 1939 dollars	55.4	55.6	56.1	56.3	55.5	55.5	55.6	57.0		-0.4	-2.8	
All items (BLS).....	1935-1939=100	a 190.4	a 189.6	a 188.4	a 188.3	a 190.2	a 190.0	a 189.3	a 185.4		+0.4	+2.7	
Employment Status ²													
Civilian labor force.....	thousands	62,778	61,744	61,518	61,838	61,780	62,688	63,164	62,803		+1.7	g	
Employed.....	thousands	61,176	60,132	59,714	59,752	59,726	61,014	61,336	61,193		+1.7	g	
Agriculture.....	thousands	6,960	6,412	6,012	6,064	6,186	6,378	7,022	7,440		+8.5	-6.5	
Nonagricultural industries.....	thousands	54,216	53,720	53,702	53,688	53,540	54,636	54,314	53,753		+0.9	+0.9	
Unemployed.....	thousands	1,602	1,612	1,804	2,086	2,054	1,674	1,828	1,609		-0.6	-0.4	
Wage Earners ³													
Employees in nonagricultural establishments.....	thousands	p 46,234	r 46,249	r 45,983	r 45,899	45,913	47,663	46,852	46,226		g	g	
Manufacturing.....	thousands	p 15,609	r 15,769	r 15,858	r 15,859	15,776	15,913	15,890	15,853		-1.0	-1.5	
Mining.....	thousands	p 891	897	899	902	909	916	917	915		-0.7	-2.6	
Construction.....	thousands	p 2,498	r 2,416	r 2,300	r 2,308	2,316	2,518	2,633	2,598		+3.4	-3.8	
Transportation and public utilities.....	thousands	p 4,136	r 4,106	r 4,119	r 4,111	4,103	4,161	4,165	4,137		+0.7	g	
Trade.....	thousands	p 9,754	r 9,811	r 9,660	r 9,643	9,720	10,660	10,109	9,683		-0.6	+0.7	
Finance.....	thousands	p 1,957	r 1,951	1,936	1,919	1,909	1,912	1,907	1,874		+0.3	+4.4	
Service.....	thousands	p 4,787	r 4,748	r 4,683	r 4,667	4,671	4,702	4,734	4,789		+0.8	g	
Government.....	thousands	p 6,602	6,551	6,528	6,490	6,509	6,881	6,497	6,377		+0.8	+3.5	
Production and related workers in manufacturing.....	thousands	p 12,559	r 12,712	r 12,807	r 12,820	12,766	12,911	12,904	12,993		-1.2	-3.3	
Durable.....	thousands	p 7,251	r 7,314	r 7,310	r 7,306	7,264	7,322	7,314	7,406		-0.9	-2.1	
Nondurable.....	thousands	p 5,308	r 5,398	r 5,497	5,514	5,502	5,589	5,590	5,587		-1.7	-5.0	
Average weekly hours.....	number	p 40.0	r 39.8	40.6	40.7	40.8	41.2	40.5	40.7		+0.5	-1.7	
Durable.....	number	p 40.8	r 40.8	41.6	41.7	41.8	42.2	41.5	41.8		0	-2.4	
Nondurable.....	number	p 38.8	38.5	39.3	r 39.5	39.5	39.9	39.2	39.3		+0.8	-1.3	
Average hourly earnings.....	dollars	p 1.658	r 1.654	1.655	1.644	1.640	1.636	1.626	1.586		+0.2	+4.5	
Durable.....	dollars	p 1.743	r 1.741	1.744	1.731	1.726	1.723	1.712	1.665		+0.1	+4.7	
Nondurable.....	dollars	p 1.536	r 1.530	1.529	1.522	1.520	1.515	1.507	1.474		+0.4	+4.2	
Average weekly earnings.....	dollars	p 66.32	r 65.83	67.19	66.91	66.91	67.40	65.85	64.55		+0.7	+2.7	
Durable.....	dollars	p 71.11	r 71.03	72.55	72.18	72.15	72.71	71.05	69.60		+0.1	+2.2	
Nondurable.....	dollars	p 59.60	r 58.91	60.09	r 60.12	60.04	60.45	59.07	57.93		+1.2	+2.9	
Straight time hourly earnings.....	dollars	e 1.613	r 1.605	1.596	r 1.585	1.579	1.571	1.569	1.528		+0.5	+5.6	
Durable.....	dollars	e 1.685	r 1.682	r 1.673	1.659	1.653	1.644	1.644	1.596		+0.2	+5.6	
Nondurable.....	dollars	e 1.507	r 1.494	r 1.489	1.480	1.476	1.468	1.465	1.432		+0.9	+5.2	
Turnover rates in manufacturing ³													
Separations.....	per 100 employees	p 4.0	r 4.1	r 3.7	3.9	4.0	3.5	4.3	4.8		-2.4	-16.7	
Quits.....	per 100 employees	p 2.2	r 2.2	2.0	1.9	1.9	1.4	1.9	2.8		0	-21.4	
Discharges.....	per 100 employees	p 0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.4		0	-25.0	
Layoffs.....	per 100 employees	p 1.2	1.3	1.1	1.3	1.4	1.5	1.7	1.2		-7.7	0	
Accessions.....	per 100 employees	p 3.9	r 3.7	r 3.9	3.9	4.4	3.0	3.9	4.5		+5.4	-13.8	

¹ NATIONAL INDUSTRIAL CONFERENCE BOARD
² Bureau of the Census
³ Bureau of Labor Statistics

a Adjusted indexes:
Nov., 188.6; Dec. 189.1; Jan., 189.1;
Feb., 187.9; Mar., 188.0; Apr., 188.7;
May, 189.0, Year ago, 185.4
c Based on food prices for Nov. 14, 1951

d Based on food prices for Dec. 12, 1951
e Estimated
f Based on food prices for Feb. 13, 1952
g Less than 0.05
h Based on food prices for Mar. 12, 1952
i Based on food prices for May 14, 1952

p Preliminary
r Revised

Wage Adjustments Announced Prior to June 15, 1952

Company	Type of Worker ¹	Increase			Remarks
		Amount	Date Effective	Number Affected	
<i>Apparel</i>					
Barbizon Corp. Jessup, Pa.	WE	5%	n.a.	500	Wage reopening 1-53. (Int'l Ladies' Garment Workers' Union, AFL)
	S	5%	n.a.	n.a.	No union stated.
Merrimac Hat Corp. Amesbury, Mass.	WE	see remarks	4-1-52	650	Hourly workers were granted a 5¢ an hour increase and piece workers 4¢ an hour. There is no escalator clause in the contract. No wage reopening date. (United Hatters, Cap and Millinery Workers Int'l Union, AFL)
	S	\$.05 hr.	4-1-52	n.a.	(United Hatters, Cap and Millinery Workers Int'l Union, AFL)
Wilson Brothers Troy, N. Y.	WE	no change	n.a.	n.a.	Daily hospital benefits increased from \$6 to \$8. Sickness and accident benefits increased from \$10 for female and \$15 for male to \$18 a week for both. Fringe benefit adjustments are subject to WSB approval. Date of settlement 3-15-52. Wage reopening 9-15-52. (Textile Workers Union, CIO)
<i>Communications</i>					
Ohio Bell Telephone Company Ohio	S	\$4 to \$7 wk.	4-13-52	16,254	The increase is subject to WSB approval. Previous average weekly rate was \$56.40, effective 1-52. Previous contract date was 11-26-50. No wage reopening during term of this contract. (Communications Workers, CIO)
<i>Chemicals and Allied Products</i>					
Central Chemical Corp. Hagerstown, Md.	WE	\$.04 hr.	3-27-52	n.a.	Previous average hourly rate was \$1.08. Wage reopening 1-25-53. (United Gas, Coke and Chemical Workers, CIO)
The Chemical and Pigment Company San Francisco Bay Area	WE	\$.10 hr.	1-15-52	54	Date of settlement 3-11-52. Previous average wage rate was \$1.717 an hour, effective 6-1-51. Third week of vacation after 15 years granted. Escalator clause based on percentage increases in BLS national index. Wage reopening 7-15-52. (Int'l Longshoremen's and Warehousemen's Union, CIO)
Interchemical Corp. Elizabeth, N. J.	WE	\$.08 hr.	4-15-52	80	Previous average wage rate was \$1.67 an hour, effective 11-1-50. Holiday pay increased to time and a half for work done in addition to straight time. Employee regularly on shift with differential keeps differential when temporarily working on day shift. Leave for death in family. Wage reopening 10-15-52 if increase in cost of living. (United Gas, Coke and Chemical Workers, CIO)
McKesson & Robbins, Inc. Los Angeles, Calif.	WE	\$.13 hr.	3-16-52	150 approx.	WSB approval is required for 6.5¢ of the increase. Contract expires 2-28-53. (Warehouse, Processing and Distribution Workers Union, Int'l Longshoremen's and Warehousemen's Union, CIO)
The Sherwin-Williams Company Cleveland, Ohio	WE	7%	12-2-51	1,340	The increase is subject to WSB approval. Date of settlement was 4-10-52. The weighted average is \$1.724 an hour after the increase. Wage reopening 5-31-54. (United Gas, Coke and Chemical Workers, CIO)
Southern Carbon Company Monroe, La.	WE	\$.07 hr.	1-1-52	55	Previous average wage rate was \$1.45 an hour, effective 1-1-51. Date of present settlement was 1-18-52. Wage reopening 7-1-52. (Int'l Chemical Workers Union, AFL)
Synthetic Plastics Company Newark, N. J.	WE	\$.075 hr.	12-31-51	150	The increase is subject to WSB approval. Previous average wage rate was \$1.60 an hour, effective 12-31-50. Wage reopening 12-31-52. (Dist. 50, UMW, ind.)
<i>Electrical Machinery, Equipment and Supplies</i>					
Bradley Laboratories, Inc. New Haven, Conn.	WE	\$.10 hr.	3-1-52	100	The increase is subject to WSB approval. Previous average hourly rate was 90¢. Wage reopening 10-23-52. (United Electrical, Radio and Machine Workers, ind.)

Wage Adjustments Announced Prior to June 15, 1952—Continued

Company	Type of Worker ¹	Increase			Remarks
		Amount	Date Effective	Number Affected	
Line Material Company South Milwaukee, Wis.	WE	see remarks	1-21-52	501	An increase of 10¢ an hour was granted to day workers and 7¢ an hour to incentive workers. Previous average rate was \$1.514 an hour. Date of present settlement 3-31-52. The increase is in part subject to WSB approval. Three weeks' vacation after 15 years was granted. Escalator clause gives direct percentage change if in excess of 1% in BLS new series. (United Electrical, Radio and Machine Workers, ind.)
Radio Corporation of America Camden, N. J.	WE	\$.06 hr.	4-14-52	5,500	The wage increase is subject to WSB approval. In addition adjustment of inequities granted. Previous average wage rate was \$1.676 an hour. Retirement plan amended, two days with pay if death in immediate family and two and a half times for holidays worked. Wage reopening 4-1-53. (Int'l Union of Electrical, Radio and Machine Workers, CIO)
<i>Fabricated Metal Products</i>					
The Whitney Chain & Manufacturing Company Hartford, Conn.	WE	\$.08 hr.	9-16-51	275	Four cents is subject to WSB approval for job evaluation. Previous average wage rate was \$1.66 an hour. One additional paid holiday, liberalized vacation policy and increased insurance benefits granted. Date of settlement 3-22-52. Pensions subject to negotiation, 10-1-52. (Int'l Union of Electrical, Radio and Machine Workers, CIO)
<i>Food and Kindred Products</i>					
Arbogast & Bastian Company Allentown, Pa.	WE	\$.06 hr.	2-25-52	550	Previous increase effective 4-15-51. Some non unionized employees included. Wage reopening 10-30-52. (Amal. Meat Cutters and Butcher Workmen, AFL; Int'l Bro. of Teamsters, Chauffeurs, Warehousemen and Helpers, AFL)
Centennial Flouring Mills Company... Seattle, Wash.	WE	\$.03 hr.	2-23-52	5	Cost of living increase under GWR 8, revised. Previous average hourly rate was \$1.70 effective 11-26-51. Date of settlement was 3-20-52. (Int'l Longshoremen's and Warehousemen's Union, CIO)
Duff Baking Mix Company Hamilton, Ohio	WE	\$.09 hr.	3-19-52	114	Additional 2¢ an hour to be effective 10-1-52 if approved by WSB. Previous average wage rate was \$1.323 an hour, effective 10-1-51. Five cents of present increase dependent upon WSB approval. New vacation plan and time and a half for holidays worked in addition to holiday pay was granted. Wage reopening 4-1-53. (Distributive, Processing and Office Workers, ind.)
General Mills, Inc. Johnson City, Tenn.	WE	\$.04 hr.	2-6-52	39 approx.	Increase was granted under GWR 8. Retroactivity to 2-1-52 is pending WSB approval. (Amer. Fed. of Grain Millers, AFL)
Los Angeles, Calif.	WE	\$.02 hr.	3-12-52	99 approx.	The increase was under GWR 8. (Amer. Fed. of Grain Millers, AFL)
Louisville, Ky.	WE	\$.04 hr.	3-28-52	140 approx.	The increase was granted under GWR 8. Retroactivity to 2-1-52 is pending WSB approval. (Amer. Fed. of Grain Millers, AFL)
Rahr Malting Company Manitowoc, Wis.	WE	\$.125 hr.	11-1-51	121	Date of settlement 4-17-52. Increase is under GWR 6 and 8. Previous average wage rate was \$1.845 an hour, effective 11-1-50. Increased shift differentials and increased employer contributions to the group insurance, both subject to WSB approval. Wage reopening 11-1-52. (Int'l Union of United Brewery, Flour, Cereal, Soft Drink and Distillery Workers, CIO)
Swift & Company Sedalia, Mo.	WE	\$.02 hr.	4-21-52	n.a.	The increase was permissible under GWR 8. It applies only to the dairy and poultry plant. Previous average rate was \$.8817 an hour, effective 9-29-51. (Amal. Meat Cutters and Butcher Workmen, AFL)
<i>Lumber and Wood Products</i>					
Chicago Mill and Lumber Company... Helena, Ark.	WE	\$.02 hr.	4-7-52	790	Cost of living increase under GWR 8, section 4. Previous average was \$.932 an hour, effective 10-6-51. Wage reopening 10-6-52. (Int'l Woodworkers, CIO)

Wage Adjustments Announced Prior to June 15, 1952—Continued

Company	Type of Worker ¹	Increase			Remarks
		Amount	Date Effective	Number Affected	
Watson-Williams Manufacturing Company Millbury, Mass.	WE	\$.05 hr.	4-7-52	84	Additional 2.5¢ to be effective 8-4-52 if approved by WSB. Previous average wage rate was \$1.659 an hour. New seniority clause by departments. Company to operate any department to a 32 hour work week before laying off in that department. Wage reopening every 6 months. (Textile Workers Union, CIO)
	WE	\$.025 hr.	4-7-52	7	An additional 5¢ an hour to be effective 8-4-52. Previous rate was \$1.485 an hour. Same fringe benefits as above. Increase affects foremen. (No union)
Weyerhaeuser Timber Company Interstate	WE	\$.075 hr.	4-1-52	7,055	The wage adjustment is subject to WSB approval. Prior to increase the average straight time hourly earnings for 3-52 were \$2.087. Last increase was effective 4-1-51. Three additional paid holidays bringing the total to 6. Two weeks' vacation after 3 instead of 5 years. Two cents additional for shift differential. Wage reopening 10-1-52. (Int'l Woodworkers, CIO)
<i>Machinery (except Electrical)</i>					
Addressograph-Multigraph Corp. Washington, D. C.	S	\$11 mo.	4-1-52	25	Cost of living increase under GWR 8. In addition merit increases were granted. Three weeks' vacation with pay was granted. Wage reopening 10-52. (Int'l Ass'n of Machinists, AFL)
Foote-Burt Company Cleveland, Ohio	WE	\$.045 hr.	3-7-52	n.a.	Cost of living adjustment. No escalator clause in the contract. A new contract is being negotiated. (UAW, CIO)
R. Hoe & Company, Inc. New York, N. Y.	S	12%	1-1-52	175	Wage reopening 7-1-52, if cost of living index rises 3 points from 10-15-51 to 5-15-52. (Office Employees Int'l Union, AFL)
Huebsch Manufacturing Company .. Milwaukee, Wis.	WE	\$.12 hr.	2-16-52	165	Two cents general increase and 2¢ inequity are subject to WSB approval. Balance is a cost of living increase. Prior to settlement average hourly wage rate was \$1.72. Night shift differential increased to 9¢ and 13¢. Jury duty make-up pay and pay for holidays regardless of when they fall. One year contract expires 2-16-53. (Int'l Ass'n of Machinists, AFL)
The Mercury Manufacturing Company Chicago, Ill.	WE	\$.03 hr.	3-3-52	155	The increase was approved by WSB. Previous average wage rate was \$1.676 an hour. More liberal group insurance plan with employees paying 40%. Contract reopens 9-1-52. There is no escalator clause in the contract. (IUE, CIO)
Towmotor Corp. Cleveland, Ohio	WE	\$.045 hr.	4-1-52	700	The increase is subject to WSB approval due to 4¢ an hour granted 9-3-51. Prior to present settlement average hourly rate was \$1.79. Life insurance increased to \$2500, sickness and accident benefits increased and medical-surgical-hospital program granted. Wage reopening 9-1-52. (No union)
<i>Paper and Allied Products</i>					
Clopay Corp. Cincinnati, Ohio	WE	\$.06 hr.	4-1-52	500	Previous average wage rate including incentive pay was \$1.54, effective 4-1-51. Third week of vacation added after 15 years' service. Increased hospital benefits from \$5 to \$8 a day. Wage reopening 4-1-53. (Int'l Bro. of Pulp, Sulphite and Paper Mill Workers, AFL)
Gaylord Container Corp. Houston, Tex.	WE	\$.05 hr.	1-9-52	140	The increase has been approved by WSB. Previous average hourly wage rate was \$1.33. Pension plan was granted but is pending WSB approval. Wage reopening 9-15-52. (United Paperworkers, CIO)
Kimberly-Clark Corp. Niagara Falls, N. Y.	WE	\$.05 hr.	12-3-51	1,440	Retroactive cost of living increase subject to WSB approval. Date of settlement 3-7-52. Previous straight time average rate was \$1.608, effective 11-15-51. Next negotiations at contract expiration, 6-4-52. (Dist. 50, UMW, ind.)
	S	\$9 mo.	12-3-51	80	Retroactive cost of living increase subject to WSB approval. Previous straight time average salary was \$253 a month. Contract expires 6-4-52. (Dist. 50, UMW, ind.)
Standard Packaging Corp. Chicago, Ill.	WE	\$.07 hr.	3-1-52	205	Previous average wage rate was \$1.71 an hour, effective 4-9-51. Increased hospitalization benefits equivalent to 1¢ an hour. Wage reopening 4-1-53. (United Paperworkers, CIO)

Wage Adjustments Announced Prior to June 15, 1952—Continued

Company	Type of Worker ¹	Increase			Remarks
		Amount	Date Effective	Number Affected	
<i>Products of Petroleum and Coal</i>					
Daugherty Refinery Petrolia, Pa.	WE	\$0.927 hr.	2-1-52	321	Previous average wage rate was \$1.59 an hour, effective 11-1-51. Present increase is subject to WSB approval. Shift differential of 4¢ and 6¢ for second and third shift instead of 2¢ for all shifts. Two additional paid holidays. Company paid off-the-job health and accident insurance and 50% of Blue Cross hospital and medical-surgical benefits, premium for employee and eligible dependents paid by company. Double time for work on second day of rest. Meal allowance after 5 hours overtime. Pay allowance for attendance of funerals of family members. Percentage rise of BLS index applied to straight time hourly. No reduction if index declines. Wage reopening 2-1-53 except for cost of living adjustments opening 8-1-52. (Dist. 50, UMW, ind.)
Eastern Gas & Fuel Associates Everett, Mass.	WE	\$0.85 hr.	1-1-52	1,166	Date of settlement was 1-25-52. Wage reopening on 60 days' written notice prior to expiration date 1-1-53. (United Gas, Coke and Chemical Workers, CIO)
Gulf Refining Company Toledo, Ohio	S	\$10 mo.	2-16-52	37	Increase is the balance of the 10% increase permissible under GWR 6. Previous average salary was \$237 a month. Wage reopening once after 6-1-52. (Office Employees Int'l Union, AFL)
Pure Oil Company Nederland, Tex. Smiths Bluff Refinery	WE	\$15 hr.	5-29-52	850	The increase is subject to WSB approval. Previous average hourly rate was \$2.0364, effective 3-26-51. (Oil Workers Int'l Union, CIO)
	S	\$26 mo.	5-29-52	50	The increase is dependent upon WSB approval. Previous average salary was \$316.79 a month, effective 4-16-51. (Oil Workers Int'l Union, CIO)
Sinclair Oil Corp. Interstate	WE	\$15 hr.	5-1-52	10,000 approx.	Date of settlement 5-19-52. Average rate prior to increase was \$2.088 an hour including a 3¢ cost of living allowance. The increase is subject to WSB approval. A lump sum settlement of \$36.50 representing increase of 4.24%, or an average of 9¢ an hour, for period of 1-1-52 to 4-30-52, less cost of living adjustments received during that period. Settlement provided for elimination of an existing escalator provision. Wage reopening 7-1-52. (Oil Workers Int'l Union, CIO)
Tide Water Associated Oil Company. Bayonne, N. J.	WE	no change	4-3-52	n.a.	One additional holiday, liberalized sick benefits and increased hospitalization and surgical benefits granted. May reopen wage negotiations any time on 30 days' notice but with no right to cancel contract. No escalator clause in the contract. (Tide Waters Employees Ass'n, ind.)
<i>Primary Metals</i>					
Ohio River Steel Corp. Toronto, Ohio	WE	\$1.125 hr.	3-24-52	749	Previous average wage rate was \$1.726 an hour. Fringe benefits included group insurance, added holidays, longer vacations, shift premiums and holiday pay. There is no escalator clause in the contract. The wage increase is subject to WSB approval. Wage reopening 6-30-53. (United Steelworkers, CIO)
Oregon Steel Mills Portland, Ore.	WE	\$1.125 hr.	1-1-52	336	Date of settlement 4-10-52. Previous average wage rate was \$2.39 an hour. An additional 2.5¢ to be effective 7-1-52 and 2.5¢ 1-1-53. This adjustment to be effective from 1-1-52 to date of "big steel" settlement and will be adjusted at that time to coincide with the wage settlements negotiated in the east. Fringe benefits of paid holidays, premium pay for Sundays, vacations and expiration date are to be identical with eastern settlements. (United Steelworkers, CIO)
<i>Printing and Publishing</i>					
Courier-Journal and Louisville Times Louisville, Ky.	S	\$2.05 wk.	2-2-52	231	Date of settlement 4-27-52. Previous average rate was \$99.13 a week, effective 10-16-50. Wage reopening 2-2-53. (Int'l Typographical Union, AFL)

Wage Adjustments Announced Prior to June 15, 1952—Continued

Company	Type of Worker ¹	Increase			Remarks
		Amount	Date Effective	Number Affected	
C. T. Dearing Printing Company ... Louisville, Ky.	WE	\$.08 hr.	see remarks	56	Increase to be effective on date of WSB approval. Previous average wage rate was \$2.504 an hour, effective 2-52 when week was reduced from 40 to 37.5 hours with no change in wages. Wage reopening 4-1-53. (Int'l Photo-Engravers' Union, AFL)
	WE	\$.08 hr.	4-1-52	75	Increase subject to WSB approval. Previous average wage rate was \$2.159 an hour, effective 2-52 when hours of work were reduced from 40 to 37.5 a week. WSB approved of no change in wages at that time. A 1¢ increase for each 1 point rise in the BLS index with reviews every 6 months. Wage reopening 4-1-55. (Int'l Typographical Union, AFL)
<i>Professional, Scientific and Controlling Instruments</i>					
A-P Controls Corp. Milwaukee, Wis.	S	9.2%	4-21-52	120	Previous increase effective 10-51. Three weeks' vacation after 15 years and 6 days' sick leave per year were granted. Wage reopening 10-52. (Office Employees Int'l Union, AFL)
Bridgeport Thermostat Division Bridgeport, Conn.	WE	\$.07 hr.	1-2-52	369	The increase is subject to WSB approval. Previous average wage rate was \$1.56 an hour. Annual improvement increase of 4¢ an hour effective 9-52. An escalator clause of 1¢ for each 1.2 point change in the BLS, CPI. Approximately 50¢ a week premium increase in insurance benefits. Wage reopening 8-55. (UAW, CIO)
Pittsburgh Equitable Meter Division Pittsburgh, Pa.	WE	\$.12 hr.	1-1-52	600	Date of settlement 3-31-52. Previous average rate was \$1.86 an hour. One year contract, no reopenings. (Pittsburgh Federation of Meter Workers, UAW, AFL)
<i>Public Utilities</i>					
Central Illinois Electric & Gas Company Lincoln, Ill.	S	\$8 mo.	3-1-52	20	Previous average salary was \$207.75 a month, effective 3-1-51. Wage reopening 3-1-53. (Office Employees Int'l Union, AFL)
Cleveland Electric Illuminating Company Cleveland, Ohio	WE	\$.125 hr.	4-1-52	2,973	The increase is subject to WSB approval. The previous average hourly rate was \$1.798. Wage reopening 4-1-53. Date of settlement 4-16-52. (Utility Workers Union, CIO)
	S	\$.125 hr.	4-1-52	1,216	Previous average hourly rate was \$1.648. The present increase is subject to WSB approval. (No union)
Concord Gas Company Concord, N. H.	WE	\$.06 hr.	1-1-52	21	Date of settlement was 4-1-52. Previous average wage rate was \$1.30 an hour, effective 1-1-51. Pensions and group insurance were liberalized. Ten holidays with pay and 2 weeks' vacation with pay granted. Wage reopening 1-1-53. (Dist. 50, UMW, ind.)
	S	4.6%	1-1-52	19	Previous average rate was \$1.51 an hour, effective 1-1-51. Same benefits as above. (No union)
Michigan Consolidated Gas Company Muskegon, Mich.	WE	\$.03 hr.	3-3-52	74	The increase was based on 1-15-52 cost of living. (Int'l Chemical Workers Union, AFL)
	S	\$1.20 wk.	3-3-52	45	Same as above. (No union)
Pennsylvania Gas Company New York, Pennsylvania	WE	\$.07 hr.	3-31-52	268	WSB approval is needed. Previous average wage rate was \$1.4332 an hour. An additional 2.63¢ an hour was granted to 128 employees in reclassification and in changing the maximum length of service required to reach job rate from 10 to 4 years. Election Day holiday was granted. Requirement for 2 weeks' vacation changed from 4 to 3 years' service and date of eligibility for all vacations from 7-1 to 10-1. One wage reopening with contract expiring 5-1-54. (Int'l Bro. of Firemen and Oilers, AFL)

Wage Adjustments Announced Prior to June 15, 1952—Continued

Company	Type of Worker ¹	Increase			Remarks
		Amount	Date Effective	Number Affected	
Virginia Electric & Power Company... Richmond, Va.	WE	7%	4-1-52	2,569	Of the increase 3.3% is subject to WSB approval. The 7% amounts to 10.7¢ an hour. The weighted average prior to the increase was \$1.524 an hour. No escalator clause in the contract. Accumulated sick leave increased from 60 to 90 days. Method of reducing pay of employees demoted due to injury on job established. Company to pay for physical examination prior to induction into military service. Wage reopening 60 days prior to expiration date, 3-31-53. (Int'l Bro. of Electrical Workers, AFL)
Western Electric Company, Inc. Installation Division Interstate	WE	\$13 to \$16 hr.	4-21-52	10,500 approx.	The increase is subject in part to WSB approval. One additional paid holiday granted at St. Louis only, making a total of seven. Contract terminates 4-23-53. (Communications Workers, CIO)
	S	\$3.50 to \$4.00 wk.	4-21-52	260 approx.	Same benefit as above. (Communications Workers, CIO)
Telephone Division Interstate	WE	\$11 to \$16 hr.	4-25-52	5,900 approx.	Subject in part to WSB approval. One additional paid holiday in Denver granted making a total of 7 there. Contract terminates 4-24-53. Affected are 23 distributing houses throughout the country. (Communications Workers, CIO)
<i>Retail Trade</i>					
Safeway Stores, Inc. Council Bluffs, Iowa	WE	3.91%	2-3-52	29	Increase affected retail clerks. Previous base rate for men, 97¢ an hour, for women 86¢ an hour. Wage reopening 1-31-53. (Amal. Meat Cutters and Butcher Workmen, AFL)
Walgreen Company Chicago, Ill.	WE	\$.06 hr.	3-7-52	300 approx.	The increase is in part subject to WSB approval. Wage reopening 3-7-53. (Warehouse and Distribution Workers Union, Int'l Longshoremen's & Warehousemen's Union, CIO)
<i>Services</i>					
Emanuel Hospital Portland, Ore.	WE	see remarks	4-1-52	225	Same wages received for 40 hour week as for previous 44 hour week. Wage reopening 12-1-52. (Building Service Employees Int'l Union, AFL)
<i>Stone, Clay and Glass Products</i>					
Carborundum Company Keasbey, N. J.	WE	\$.09 hr.	11-1-51	209	Date of settlement 2-28-52. Three cents was an annual improvement increase which is subject to WSB approval. Additional 6¢ was effective 11-16-51. Previous average rate was \$1.60 an hour. Emergency call-in pay of \$2, double time for Sunday, instead of for seventh day worked in work week, 4 weeks' vacation after 25 years, 3 day bereavement pay, lunch allowance of \$1.25 for 2 hours or more overtime, jury duty pay to make up difference between straight time rate and jury fee. (United Gas, Coke and Chemical Workers, CIO)
Johns-Mansville Corp. Alexandria, Ind.	WE	7%	3-24-52	263	Of the increase 3.5% is subject to WSB approval. Previous average wage rate was \$1.52 an hour, effective 12-18-50. Company contributes half of cost of hospital-medical, health and accident plans. One year contract with no reopenings. (Insulation Workers, Federal Labor Union, AFL)
Waukegan, Ill.	WE	10%	3-24-52	1,936	Approximately 2.8% is subject to WSB approval. Previous average wage rate was \$1.69 an hour, effective 12-18-50. One year contract with no reopenings. (Int'l Chemical Workers, AFL)
National Gypsum Company Mansfield, Mass.	WE	\$.04 hr.	4-23-52	50	The increase is subject to WSB approval. Previous average straight time was \$1.345 an hour, effective 4-23-51. Wage reopening on 11-1-52 if BLS 8-15-52 index, new series, is over 187.9 for all cities. (United Construction Workers, UMW, ind.)
Thomasville Stone & Lime Company Thomasville, Pa.	WE	4.2%	4-1-52	78	The increase amounts to 6¢ an hour. Previous average wage rate was \$1.315 an hour, effective 1-1-51. Hospitalization and sickness insurance increased approximately 100%. The wage increase was under GWR 8, revised. Wage reopening 2-1-53. (Dist. 50, UMW, ind.)
	S	4.2%	4-1-52	21	Same insurance benefits as above. Increase was under GWR 8, revised. (No union)

Wage Adjustments Announced Prior to June 15, 1952—Continued

Company	Type of Worker ¹	Increase			Remarks
		Amount	Date Effective	Number Affected	
<i>Textile Mill Products</i>					
Ames-Harris-Neville Company Los Angeles, Calif.	WE	4.2%	3-20-52	140	Cost of living adjustment. Previous average wage rate was \$1.34 an hour, effective 3-1-51. For every 1% increase over 2-52 revised index wages will be increased by 1%. (Textile Workers Union, CIO)
Freydberg Brothers-Strauss, Inc. Stamford, Conn.	WE	\$.085 hr.	1-1-52	155	A new vacation plan was initiated. Wage reopening 1-1-53. (United Gas, Coke and Chemical Workers, CIO)
Glenlyon Print Works Providence, R. I.	WE	no change	3-14-52	500	No additions or increases granted. Contract includes an escalator clause. Wage reopening 6-1-53. (Assoc. Workers of the Printing, Finishing and Allied Industry, ind.)
	S	no change	3-14-52	106	(No union)
Charles Lachman Company Phoenixville, Pa.	WE	\$.11 hr.	3-1-52	240	The increase is subject to WSB approval. Wage reopening 1-1-53. (Textile Workers Union, CIO)
<i>Tobacco</i>					
Brown & Williamson Tobacco Corp. Interstate	WE	\$.115 hr. approx.	5-1-52	85	The increase is subject to WSB approval. Previous average wage rate was \$1.91 an hour, effective 5-30-51. Third week of vacation added after 20 years' continuous service, hospital and surgical benefits to retired employees with a maximum of \$500, and accident and health insurance maximum of \$40 a week for 13 weeks. Wage reopening 5-1-53 on 60 days' notice. (Int'l Ass'n of Machinists, AFL)
<i>Transportation</i>					
The Baltimore Transit Company Baltimore, Md.	S	\$3.50 wk.	n.a.	221	Due to a wage reopening. Contract expires 1-31-53. Increase affected office clerical employees. (Bro. of Railroad Trainmen, ind.)
Indianapolis Railways, Inc. Indianapolis, Ind.	WE	\$.13 hr.	5-1-52	1,284	Previous average hourly wage rate was \$1.51, effective 1-1-51. Six paid holidays a year and 7 days' sick leave per calendar year with a maximum of 35 days a year after 5 years' service. (Amal. Ass'n of Street, Electric Railway and Motor Coach Employees, AFL)
Pacific Greyhound Lines San Francisco, Calif.	WE	4.6%	3-2-52		Drivers affected. Date of settlement 5-19-52. Additional increases of 4.4% effective 10-1-52 and 9% effective 10-1-53. The increase is subject to WSB approval. Effective 10-1-52 the work week will be 5½ days per week and effective 10-1-53 a 5-day work week will be assigned. Direct percentage adjustment annually with January BLS index. (Amal. Ass'n of Street, Electric Railway and Motor Coach Employees, AFL)
	S	4.6%	3-2-52		Affects terminal employees. Additional 4.4% increase effective 10-1-52 and 4% effective 10-1-53. Same benefits and escalator clause as above. (Amal. Ass'n of Street, Electric Railway & Motor Coach Employees, AFL)
Royal Dutch Airlines New York, N. Y.	WE	\$.08 to \$.31 hr.	1-1-52	15	Date of settlement was 3-31-52. The increase is subject to WSB approval. Previous average wage rate was \$1.92 an hour, effective 1-1-51. Severance pay and shift differentials of 7¢ and 12¢ granted. Wage reopening 3-1-53. (Transport Workers Union, CIO)
<i>Transportation Equipment</i>					
Auto Specialties Manufacturing Company St. Joseph, Mich.	WE	\$.03 hr.	3-10-52	2,000	Inequity adjustments were granted to approximately 100 men. WSB approval has been received. Wage reopening 9-10-52. (UAW, CIO)
	S	\$.03 hr.	3-10-52	350	(No union)
Chrysler Corporation Detroit, Mich.	WE	see remarks	see remarks	n.a.	Four cent annual improvement factor, effective 6-1-52 as provided in the contract dated 5-4-50 and amended 12-11-50. Effective 6-2-52 a 1¢ decrease in cost of living allowance under an escalator clause in the same agreement. Total cost of living allowance is now 23¢ an hour. (UAW, CIO)

Wage Adjustments Announced Prior to June 15, 1952—Continued

Company	Type of Worker ¹	Increase			Remarks
		Amount	Date Effective	Number Affected	
	S	see remarks	6-1-52	n.a.	Annual improvement factor adjustment ranged from \$7.50 to \$16 a month depending on base salary. Cost of living allowance reduced \$5, effective 6-1-52 leaving \$115 per quarter. Of this \$65 will be paid on 9-15-52 with the balance included in the employees' monthly rate. (UAW, CIO)
Curtiss-Wright Corp. Electronics Division, Cardstadt, N. J.	WE	\$.14 hr. average	2-19-52	3,500	Increases ranged from 12¢ to 23¢ an hour. Date of settlement was 4-4-52. WSB approval has been received. Three weeks' vacation after 15 years was granted. No escalator clause in the contract. Wage reopening 2-19-53. (Int'l Ass'n of Machinists, AFL)
Propeller Division Clifton, N. J.	WE	\$.14 hr. average	2-1-52	550	Same as above but date of settlement was 4-7-52. Wage reopening 2-1-53. (Int'l Ass'n of Machinists, AFL)
Wright Aeronautical Division Paterson, N. J.	WE	\$.12 hr.	10-15-51	12,563	Granted to all labor grades. In addition, effective 1-31-52, 11¢ granted to labor grade 1; 8¢, grade 2; 5¢, grade 3; 2¢, grade 4. Date of settlement was 4-28-52. Previous average wage rate was \$1.63 an hour. Hospitalization benefits for employees increased from \$8 to \$10 a day. Therapeutic service benefits increased from \$80 to \$100 for employees. WSB approval has been received. Reopening, for wages and pensions, 9-15-52. (UAW, CIO)
	S	\$4.80 wk.	11-1-51	3,282	Increase affects all labor grades, effective 11-1-51. In addition, effective 2-24-52, \$4.40 a week granted to labor grade 7 and 8; \$3.20 a week to grade 9; \$2 to grade 10; and 80¢ to grade 11. Date of settlement was 5-7-52. Same benefits as above. WSB approval has been received. Wage and pension reopening 10-1-52. Previous average rate was \$1.64 an hour. (UAW, CIO)
Ford Motor Company Dearborn, Michigan	WE	see remarks	see remarks	n.a.	A 1¢ decrease in cost of living allowance yielding 23¢ an hour, effective 6-2-52 through 8-31-52. Effective 6-1-52 a 4¢ an hour annual improvement factor was granted. Both were in accordance with a contract dated 9-4-50. (UAW, CIO)
General Motors Corp. Detroit, Mich.	WE	see remarks	see remarks	n.a.	Cost of living allowance decreased 1¢ on 6-2-52 to 23¢ an hour. The 4¢ annual improvement factor was effective 5-29-52.
Hicks Body Company Lebanon, Ind.	WE	\$.06 hr.	4-27-52	150 approx.	Date of settlement 5-7-52. The increase is subject to WSB approval. Six paid holidays and improved vacation plan granted. Wage reopening 4-27-53. (Federal Labor Union, AFL)
Miscellaneous The Lummus Company New York, N. Y.	S	4%	12-15-51	208	Cost of living increase under GWR 8. Previous average wage rate was \$1.43 an hour. Company wide seniority granted. Wage reopening 12-15-52. (Office Employees Int'l Union, AFL)

¹Type of Worker: WE, wage earner; S, salaried employee.
n.a. Not available.

Labor Statistics

(Continued from page 281)

noticeable in an earlier clerical salary survey and in the previous occupational wage survey.

Median wage rates for the jobs surveyed were higher in 1952 than in 1951. (See Chart 2.) The national median wage rate for laborer (according to the cities surveyed) amounted to \$1.47 in 1952, whereas it was \$1.38 a year ago. The median for machine operator moved up to \$1.82 from \$1.70, and for production welder to \$1.95 from \$1.86.

WAGE SETTLEMENTS

One hundred wage settlements announced in the press prior to June 15 were confirmed by the Board this month. Half of these agreements are subject to WSB approval. Increases varied widely, ranging from 2 cents to 31 cents an hour. Two fifths of the hundred settlements reported also included fringe benefits—holidays, vacations and health insurance predominating.

VIRGINIA M. BOSCHEN
THOMAS A. FITZGERALD
Statistical Division